

**EFT, HOME LOAN, AND  
HOME EQUITY LOAN DISCLOSURE**



**LAKES**  
Community Credit Union

**Internet Banking**  
[www.lakescommunitycu.org](http://www.lakescommunitycu.org)

**Telephone Banking**  
(248) 814-4001

# Disclosure Pursuant To

## Electronic Fund Transfer Laws

Lakes Community Credit Union makes available to members various "electronic fund transfer" services, made possible by our advanced electronic data processing system. This disclosure is furnished to you as a member of the credit union to meet the requirements of the Federal and Michigan statutes relating to "electronic fund 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 use of automated teller machines or in any other manner.

**This disclosure is a contract.** That is, the terms and conditions set here are binding on you and us as to the making of such "electronic fund transfers" if you use the account(s) covered by this disclosure after receipt of this agreement. In such case, your use of the account(s) constitutes your acceptance of the terms and conditions set out in this disclosure.

Although your account(s) may be subject to "electronic fund transfers" 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 Lakes Community Credit Union.

This disclosure is being furnished to all of our members. Members who have not authorized any electronic access to any of their account(s) in the Credit Union when they receive this disclosure need not concern themselves with it.

**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
- Share Draft

These types of accounts are sometimes referred to in this disclosure as "asset account(s)" or simply your "account(s)."

You have previously told us 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 change of instructions 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 account(s) with us remain in effect except to the extent modified by this disclosure.

**3. Minimum Balance:** You must always maintain a minimum of \$5.00 in a share account to be entitled to make "electronic fund transfers" affecting your account(s). We reserve the right to increase minimum balance requirements or to impose those restriction 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 deduction or net pay from employers who have agreed to send such deposits to us.
- Direct Deposit of various governmental benefits such as: Social Security pension, disability or survivorship benefits.
- Veterans Administration benefits.
- Railroad Retirement Board benefits.
- Air Force, Army, Coast Guard, Marines and Navy net pay or allotments.
- Deposit(s) from any third party through the facilities of the Michigan Automated Clearing House Association (of which we are a member).
- Automated transfers from another person's account in the Credit Union.

**Direct Deposits:** If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, 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 our liability.

**Transfers FROM your account(s) (debits):**

- Payments of your house mortgage, insurance premiums and utility bills,

as well as other types of payments to third parties, through the facilities of the Michigan Automated Clearing House Association.

- Automatic deduction from your account of premiums for Family Group Insurance coverage available to our members.
- Automatic transfer to another person's account in the Credit Union.
- Automated transfers from your account to make payments on another person's loan to the Credit Union.

**Automated Teller Machine (ATM) Transactions:**

- If you have a Credit Union ATM card for which we have issued a PIN (Personal Identification Number), you can use it in selected ATMs to make any or all of the following transactions at Michigan ATMs:
  - Deposit or withdraw funds from your share account.
  - Deposit or withdraw funds from your share draft account.
  - Transfer funds between either your share or your share draft account.

Outside of Michigan regulations permit the following transactions:

- Withdraw from your share or share draft account.

You have previously designated 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 to you 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.

**ACH and Wire Transfers:** This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

**5. Excluded Transaction:** We have developed an elaborate electronic data processing system which makes it possible to offer you many electronic services. However, some of these services do not constitute "electronic fund transfers" for purposes of this disclosure, such as, for example, automatic transfers from your account(s) to pay your loan(s) owing to us and automatic transfers between your own asset accounts in the Credit Union. The terms and conditions of this disclosure only apply to those services and transfers which are "electronic fund transfers" as described in Section 4; they do not apply to other transactions which, although electronic in nature, do not constitute "electronic fund transfers" described in that section.

**6. Fees for "Electronic Fund Transfers":** If a deposit is made with a check at an ATM and the check is returned Non-Sufficient Funds (NSF), there is a \$15.00 charge.

**7. Limitations on "Electronic Fund Transfers":** As to transactions other than those made at an Automated Teller Machine, 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 restrictions in the future as we deem reasonable, but we will give you at least 21 days advance written notice before doing so.

**8. Documentation of Transfers:**

- A. You can get a transaction receipt at the time you make any transfers to or from or between your account(s) using the ATM.
- B. If you have arranged to have direct deposits (which are "electronic fund transfers" as described in section 4) made to your asset account(s) at least once every 60 days from the same person or company. You will get a statement of each asset account for every month in which an "electronic fund transfer" described in Section 4 occurs, and you will get such a statement at least quarterly, even if no

such transfer occurs in a particular quarter. However, for an asset account as to which you have authorized no "electronic fund transfers" other than pre-authorized credits (such as, for example, payroll deduction or Social Security benefits) you will get a statement ONLY quarterly.

- C. Periodic statements we send you on accounts which are subject to "electronic fund transfers" described in Section 4 are admissible evidence.

**9. 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 us at:

**(248) 814-4000**  
**Accounting Department**  
or  
**Write Us At:**  
**Lakes Community Credit Union**  
**350 N. Park Blvd (M-24)**  
**P.O. Box 99**  
**Lake Orion, MI 48361**  
**ATTN: Accounting Department**

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.

If these 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 that you set; if so, you must make the 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 14 of this disclosure, we will tell you what our "business days" are. Stop Payment Fee is \$5.00.

**10. 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 transfer if (1) you tell us, within 4 calendar days after the date of the transfer, to make such a 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.

1. In most cases, the person or company making the deposit will tell you every time they send us the money, but
2. If that person or company does NOT give such notice, we can let you know if the deposit is not made.

If you do these things in writing, you **MUST** send the letter to:

**Lakes Community Credit Union**  
**350 N. Park Blvd. (M-24)**  
**P.O. Box 99**  
**Lake Orion, MI 48361**  
**ATTN: Accounting Department**  
**If you phone us, you must call at:**  
**(248) 814-4000**  
**Accounting Department**

**11. Disclosure of Information to Third Parties:** In the ordinary course of business, we will only disclose information concerning your account(s) or "electronic fund transfers" described in Section 4 affecting your account(s):

1. As provided by law, or
2. With your consent, or
3. To furnish credit information under the federal "Fair Credit Reporting Act," or
4. If necessary to verify or complete an "electronic fund transfer," or
5. To verify the existence of your account(s), or
6. If the information relates to improper use of your account(s).

**12. In Case of Errors or Questions About Your "Electronic Fund Transfers" as Described in Section 4:**

Write us at:

**Lakes Community Credit Union**  
**350 N. Park Blvd. (M-24)1**  
**P.O. Box 99**  
**Lake Orion, MI 48361**  
**ATTN: Accounting Department**  
**If you phone us, you must call at:**  
**(248) 814-4000**  
**Accounting Department**

as soon as you can, if you think your statement or an Automated Teller Machine 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 or error appeared.

1. Tell us your name and account number, and
2. Describe the error or the transfer you are unsure about 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 will require that you send us your complaint or question in writing within 10 "business days" or 14 calendar days, whichever is greater. We will send you a form you can use to make such written confirmation. In Section 14 of this agreement, we will list our "business days".

We will 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 recredit your account within 10 "business days" for the amount you think is in error so that you will have use of the money during the time it takes us to complete the investigation. If we make such a recredit to your account, we have the right to charge the amount of the recredit back to your account if we determine there wasn't an error, but only up to 60 calendar days after you told us about your complaint or question. If we ask you to put your complaint or question in writing and we do not receive it within 10 "business days" or 14 calendar days, whichever is greater, we will be entitled to refuse to recredit your account if the 10 "business days" is greater than 14 calendar days.

If we determine that there was no error, we will send you a written explanation no later than the third "business day" after we finish our investigation.

You may ask us for copies of the documents that we used in our investigation and we will furnish them to you. We may, in such case, require payment of a nominal charge for such copies.

As used herein, "error" includes, but is not limited to, an unauthorized "electronic fund transfer," and incorrect "electronic fund transfer" to or from your account(s), and omission of an "electronic fund transfer" affecting your account(s).

**13. Credit Union's Liability for Failure to Make "Electronic Fund Transfers":** If we do not complete an "electronic fund transfer," as described in Section 4, to or from your account(s) in time or in the correct amount according to our agreements with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, you do not have enough money in your account to make the transfer.
- If 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 there are not enough good funds in your account 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 your default, exercised our rights against the funds in your account pursuant to a pledge of those funds you gave us.
- If the transfer would go over the credit limit on your overdraft line.
- If the ATM where you are making the transfer does not have enough cash.
- If you use or try to use your ATM card after your right to use it has been canceled.
- If circumstances beyond our control prevent the transfer, despite reasonable precautions that we have taken.
- We will also be excused from such liability if you fail to observe the terms and conditions of this agreement, or our account agreements with you, which relate to such "electronic fund transfers."

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

**Main Office**  
350 N. Park Blvd. (M-24)  
P.O. Box 99  
Lake Orion, MI 48361  
(248) 693-1151

**Monday, Tuesday, Thursday & Friday 9:30 a.m. to 5:30 p.m.**  
**Wednesday & Saturday 9:00 a.m. to 1:00 p.m.**

We will **not** open for business on the following holidays:

New Year's Day	Labor Day
Martin Luther King, Jr. Day	Columbus Day
President's Day	Veterans' Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

(Refer to September's Statement for Christmas Holiday closings)

A holiday falling on a Sunday will be observed on the following Monday.

We reserve the right to change our "business days," hours and the days we are closed. If we do so, we will notify you in advance.

15. **Regular Agency:** If you believe that we may have violated the Michigan law regulating "electronic fund transfer" (Michigan Public Act No. 332 of 1978), you may contact:

**National Credit Union Administration**  
Region IV Office  
300 Park Blvd., Suite 155  
Itasca, IL 60143

16. **Amendments; Termination:** We reserve the right to amend this disclosure (agreement) in any manner and at any time. If we do so, we will give you such advance notice thereof as we deem to be reasonable under the circumstances; however, in the specific cases mentioned earlier, we will give you at least 21 days advance written notice. We also reserve the right to terminate this disclosure (agreement) by sending a notice of such termination by first-class mail to your last-known address on our records, which notice shall be effective when mailed.

17. **Location of Machine:** The number of and locations of ATMs is, of course, subject to change at any time. If you have an ATM card, we will keep you informed from time to time of their location.

18. **Card Ownership:** All membership cards and PINs we provide are the property of the Credit Union. If this agreement is terminated, you agree to surrender the card(s) to us.

19. **Secrecy of PIN:** If we have issued a PIN to you, you agree to keep your PIN secret, and you also agree that you will not write the PIN on your membership card or any item you keep with your card.

20. **Minimum Balance:** If you maintain an account with the minimum balance requirement of \$5.00, you will be able to use your ATM card at an Automated Teller Machine to make any transaction listed in Section 4. However, if any or all of your loan account(s) are in the delinquent status, your card will not access your account through the Automated Teller Machine. We reserve the right to change these requirements, but if we do so, we will notify you in writing at least 21 days in advance.

21. **Limitations of "Electronic Fund Transfer":** There are no limitations on the number or dollar amount of deposits you may make at an Automated Teller Machine during its 24-hour operation cycle. However, to protect against possible losses, your card will not allow you to withdraw more than \$300.00 cash from an Automated Teller Machine. We reserve the right to change these limitations on use of the machine, and we will give you written notice of any such change at least 21 days in advance.

22. **Responsibility for Overdraft:** If you obtain cash from an Automated Teller Machine which creates an overdraft in your regular share account, the overdraft amount is due and payable the moment you get it, and you agree to pay the full amount of it to us, in addition to a \$5.00 overdraft charge. You also authorize us, in such a case, to apply from any other shares or deposits you may have in the Credit Union such amount as may be necessary to pay such overdraft amount. If the overdraft is created in your share draft account, (1) a transfer will be made from regular share or deposit account(s) to cover the overdraft, in accordance with your share draft account agreement with us, or (2) an advance on your line-of-credit loan with us will be made to cover the overdraft, and you will repay that advance in accordance with the terms and

conditions of the line-of-credit loan, but if there are not sufficient funds to make a transfer to (1) or (2) of this sentence, or if you have no overdraft protection for your share draft account, then such overdraft will be paid to us as provided in the first sentence of this section.

23. **Crediting of Deposits and Payments:** Deposits or payments made at an Automated Teller Machine, whether in cash, check, draft or money order, are subject to verification and the posting of such deposits and payments to share, share draft or loan accounts may be delayed until they can be collected in accordance with your account agreement with us. If an error occurs of \$1.00 or less, no adjustment will be made.

24. **Liability for Unauthorized Use:** Notify us at once if you believe your ATM card has been used without authorization. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum line-of-credit loan). If you tell us within 2 "business days," you can lose no more than \$50.00 if someone used your card without your permission. If you don't tell us within 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 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 period.

25. **Notice of Unauthorized Use:** If you believe your ATM card or PIN has been lost or stolen or that someone has transferred money from your account without your mission or may be about to do so, call us immediately at (248) 814-4000. In addition, write to:

**Lakes Community Credit Union**  
350 N. Park Blvd. (M-24)  
P.O. Box 99  
Lake Orion, MI 48361

**LOST/STOLEN CARDS - 24 HOURS**  
**(800) 264-5578**

26. The effective date of this disclosure is January 1, 2002.

### LOAN POLICIES RELATIVE TO MORTGAGE LOANS AND HOME IMPROVEMENT LOANS

- We only grant mortgages on property in Michigan.
- The maximum loan-to-appraisal value is 80%.
- First and second mortgages will be considered on single family homes used as primary residence.
- The interest rate you are initially quoted may change prior to closing if the interest rate goes down or if the closing is more than 60 days from the application date.
- The maximum mortgage amount if \$300,000.00.
- The maximum loan amount for home improvement not secured by a mortgage is \$100,000.00.
- Appraisals may be required to determine if the collateral value is sufficient to cover the requested loan.
- Loans secured by property in a flood plain may have to obtain a flood insurance policy for the loan balance or the maximum amount available, whichever is less.
- The maximum amortization term for a first mortgage is 30 years.
- We reserve the right to verify all funds which are indicated to be used for down payment and closing costs.
- Home Improvement Loans may be granted on an unsecured basis or with various types of collateral acceptable to the Credit Committee, with the term being determined by the type and age of the security offered.
- The Credit Committee has the sole responsibility of refusing to grant a loan request.
- Maximum 15-year amortization for 2nd Mortgage.
- Maximum draw period for Home Equity Loans is 10 years, maximum repay term is 10 years.

### GENERAL FACTORS FOR ESTABLISHING CREDIT WORTHINESS

- The applicant is of good character.
- The loan purpose is provident and productive.
- The member's income is sufficient to repay the loan according to its terms.
- The member's total debt will not impair repayment of the loan.
- The member's past paying habits with all creditors are satisfactory.
- The member's job history and time lived at current address show stability.
- The member's signature and/or collateral are sufficient to cover the loan request.
- The credit union will consider the market value of proposed security when evaluating a loan application. Market value is the most probable price a property should bring in a competitive and open market under all conditions required for a fair sale.

Your Credit Union wants you to know that with respect to mortgage loans and home improvement loans the law guarantees:

- Any person has the right to make a loan inquiry of the Credit Union.
- Any person has the right to file a written loan application with the Credit Union.
- Any person has the right to receive a written response to an inquiry or application.



**Main Office**  
350 N. Park Blvd. (M24), P.O. Box 99  
Lake Orion, MI 48361  
(248) 814-4000

**Monday, Tuesday,**  
**Thursday & Friday .....9:30 a.m. to 5:30 p.m.**  
**Wednesday & Saturday .....9:00 a.m. to 1:00 p.m.**

**Branches**  
310 Euclid St., Mt. Clements, MI 48043  
(586) 463-5001

**Monday, Tuesday,**  
**Thursday & Friday .....9:30 a.m. to 5:30 p.m.**

P.O. Box 420132, 250 N. Perry St.  
Pontiac, MI 48342  
(248) 332-9193 ☎ Fax (248) 332-2202

**Monday, Tuesday,**  
**Thursday & Friday .....9:30 a.m. to 5:30 p.m.**  
**Wednesday & Saturday .....9:00 a.m. to 1:00 p.m.**