

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

ELSA THOMPSON, individually and on
behalf of all others similarly situated,

Plaintiff,

v.

MUNICIPAL CREDIT UNION,

Defendant.

Cause No. 1:21-cv-7600

CLASS ACTION COMPLAINT

JURY DEMAND

CLASS ACTION COMPLAINT

Plaintiff Elsa Thompson brings this Class Action Complaint against Defendant Municipal Credit Union (“Municipal” or “Defendant”), and alleges as follows:

INTRODUCTION

1. This case concerns Municipal’s unlawful business practice of imposing multiple Non-Sufficient Funds Fees (“NSF Fee”) and/or overdraft fees on an item.

2. Besides being deceptive, this practice breaches promises made in Municipal’s adhesion Contract, which comprises Municipal’s Account Agreement and Regulations (“Account Agreement”), attached as Exhibit A and Municipal’s Schedule of Dividends, Service Charges and Fees (“Fee Schedule”), attached as Exhibit B.

3. Through the imposition of Overdraft and NSF Fees, Municipal makes millions of dollars annually. Municipal’s NSF Fees fall disproportionately on racial and ethnic minorities, the elderly, and the young, many of whom regularly live paycheck to paycheck and therefore carry low bank account balances.

4. The Contract permits Municipal to charge a \$32 NSF Fee when a member’s account

contains insufficient funds to pay “an ACH debit request or bill payment you authorize or check (share draft) you draw” and Municipal rejects the charge. Ex. B at 2, 5.

5. Municipal unlawfully assesses multiple NSF or overdraft fees on a single Automated Clearing House (ACH) transaction or check transaction even though the member only authorized or “drew” a single ACH or check.

6. Municipal’s Contract indicates that only a single NSF Fee or a single overdraft fee will be charged per “item” that the *accountholder* authorizes or draws. An electronic item reprocessed after an initial return for insufficient funds without the accountholder’s knowledge or re-authorization cannot and does not fairly become a new, unique “item” for fee assessment purposes.

7. As discussed more fully below, it is a breach of Municipal’s Contract and of reasonable consumers’ expectations for Municipal to charge more than one \$32 fee on an item.

8. Municipal also breaches its duty of good faith and fair dealing when it charges multiple fees on an item. Specifically, Municipal abuses its contractual discretion by (a) reprocessing transactions when it knows that a customer’s account lacks sufficient funds, and (b) charging additional fees upon reprocessing.

9. Plaintiff and other Municipal customers have been injured by Municipal’s improper fee maximization practice. Plaintiff, individually and on behalf of the class of individuals preliminarily defined below, bring a claim for Municipal’s breach of contract, including the duty of good faith and fair dealing.

PARTIES

10. Plaintiff Elsa Thompson is a citizen of Lehigh Acres, Florida. She has maintained a checking account at Municipal at all times relevant hereto.

11. Defendant Municipal Credit Union is a credit union with nearly \$4.2 billion in assets. Municipal maintains its headquarters and principal place of business in New York, NY. Among other things, Municipal is engaged in the business of providing retail banking services to consumers, including Plaintiff and members of the Class. Municipal operates banking centers, and thus conducts business, throughout the State of New York, including within this District.

JURISDICTION AND VENUE

12. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1332(d)(2), because the matter in controversy exceeds \$5,000,000, exclusive of interest and costs, and is a class action in which at least one member of the class (including Plaintiff) is a citizen of a State different from the Defendant. The number of members of the proposed Class in aggregate exceeds 100 accountholders. 28 U.S.C. § 1332(d)(5)(B).

13. This Court has personal jurisdiction over the Defendant because it resides in, regularly conducts and/or solicits business in, engages in other persistent courses of conduct in, and/or derives substantial revenue from products and/or services provided to persons in this District and in New York.

14. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to the claims occurred in this District—where Municipal maintains its headquarters and where Plaintiff conducts her banking business with Municipal.

FACTUAL BACKGROUND AND GENERAL ALLEGATIONS

I. Municipal Improperly Charges Two Or More Fees on an Item

15. Overdraft fees and NSF Fees are among the primary fee generators for banks. According to a banking industry market research company, Moebs Services, in 2018 alone, banks

generated an estimated \$34.5 billion from overdraft fees. *Overdraft Revenue Inches Up in 2018*, Moebs 1 (Mar. 27, 2019), <https://bit.ly/3cbHNV>.

16. Unfortunately, the customers who are assessed these fees are the most vulnerable customers. Younger, lower-income, and non-white account holders are among those who were more likely to be assessed overdraft fees. *Overdrawn: Persistent Confusion and Concern About Bank Overdraft Practices*, Pew Charitable Trusts 8 (June 2014), <https://bit.ly/3ksKD0I>.

17. Municipal unlawfully maximizes its already profitable fees through its deceptive and contractually-prohibited practice of charging multiple NSF fees or an NSF fee followed by an overdraft fee on an item.

18. Unbeknownst to consumers, when Municipal reprocesses the electronic payment item, ACH item, or check for payment after it was initially rejected for insufficient funds and without a new authorization from the consumer, Municipal chooses to treat it as a new and unique item that is subject to yet another fee. But Municipal's contract never states that this counterintuitive and deceptive result could be possible and, in fact, promises the opposite.

19. The Federal Deposit Insurance Corporation (the "FDIC") has expressed concern with the practice of assessing multiple fees on an item. In 2012, the FDIC determined that one bank's assessment of more than one NSF Fee on the same item was a "deceptive and unfair act." *In the Matter of Higher One, Inc., Consent Order*, Consent Order, FDIC-1 1-700b, FDIC-1 1-704k, 2012 WL 7186313.

20. This abusive practice is not universal in the financial services industry. Indeed, major banks like Chase—the largest consumer bank in the country—do not undertake the practice of charging more than one NSF Fee on the same item when it is reprocessed and returned. Instead, Chase charges one fee even if an item is reprocessed and returned multiple times.

21. Plaintiff has a Municipal checking account, which was governed by Municipal's standardized Contract.

22. The Contract allows Municipal to take certain steps when paying a check, electronic payment item, or ACH item when the accountholder does not have sufficient funds to cover it. Specifically, Municipal may (a) pay the item and charge a single \$32 overdraft fee; or (b) reject the item and charge a single \$32 NSF Fee.

23. In contrast to the Contract, however, Municipal regularly assesses two or more \$32 fees on an item.

A. The Imposition of Multiple Fees on an Item Violates Municipal's Express Promises and Representations

24. The Contract provides the general terms of Plaintiff's relationship with Municipal, and therein Municipal makes explicit promises and representations regarding how an item will be processed, and how fees may be assessed.

25. The Contract states: "Each time an ACH debit request or bill payment *you authorize*, or check (share draft) *you draw*, is presented and returned as unpayable for any reason, a \$32.00 service charge will be assessed." Ex. B at 2, 5 (emphasis added).

26. The Contract further promises that fees are assessed "per item," stating:

NSF FEE: (each time an ACH debit request or bill payment *you authorize*, or check (share draft) *you draw*, is presented and returned as unpayable for any reason): \$32 *per item*

Ex. B at 7 (bolded italics added).

27. Taken together, the Contract thus promises that a fee will be assessed on an "item," which relates to the consumer's authorization of an ACH debit request or the consumer's action of drawing a check. Despite this promise, Municipal regularly charges two or more fees on an "item."

28. The same “item” on an account cannot conceivably become a new one when it is rejected for payment then reprocessed, especially when—as here—Plaintiff did not re-authorize the ACH or draw a new check.

29. There is zero indication anywhere in the Contract that the same “item” is eligible to incur multiple fees absent a new authorization from the consumer.

30. Even if Municipal reprocesses an instruction for payment, it is still the same “item.” Its reprocessing is simply another attempt to effectuate an account holder’s original order or instruction.

31. In sum, Municipal promises that one fee will be assessed on an item, and this term must mean all iterations of the same instruction for payment. As such, Municipal breached the Contract when it charged more than one fee per item.

32. Reasonable consumers understand any given authorization for payment to be one, singular “item,” as that term is used in the Contract.

33. Taken together, the representations identified above convey to customers that all submissions of their underlying ACH authorization or check they drew will be treated as the same “item,” which Municipal will either pay (resulting in an overdraft item) or reject (resulting in a returned item) when it decides there are insufficient funds in the account. Nowhere do Municipal and its customers agree that Municipal will treat each reprocessing of the same underlying consumer authorization as a separate item, subject to additional fees.

34. Customers reasonably understand, based on the language of the Contract, that Municipal’s reprocessing of checks, electronic payment items, and ACH items are simply additional attempts to complete the original order or instruction for payment, and as such, will not

trigger additional fees. In other words, unless the consumer re-authorizes the ACH or re-draws the check, it is always the same item.

35. Banks and credit unions like Municipal that employ this abusive practice require their accountholders to expressly agree to it—something Municipal here never did.

36. For example, First Financial Bank, aware of the commonsense meaning of “item” clarifies that the term “item” has a very specific definition under its contract – something Municipal does not do:

Merchants or payees may present an item multiple times for payment if the initial or subsequent presentation is rejected due to insufficient funds or other reason (representation). **Each presentment is considered an item and will be charged accordingly.**

Special Handling/Electronic Banking Disclosures of Charges, First Financial Bank 2 (Mar. 2021), <https://bit.ly/30rltHQ> (emphasis added).

37. Municipal’s Contract provides no such agreement, and actually promises the opposite—Municipal may charge, at most, a fee, per item that the *consumer* authorizes.

B. Plaintiff’s Experience

38. In support of her claims, Plaintiff offers an example of a fee that should not have been assessed against her checking account. As alleged below, Municipal: (a) reprocessed a previously declined item; (b) did not receive a new authorization from Plaintiff for that item; and (c) charged a fee upon reprocessing.

39. On or around February 22, 2017, Plaintiff attempted a single \$204.86 payment to PayPal via ACH.

40. Municipal rejected payment of that item due to insufficient funds in Plaintiff’s account and charged a \$30 NSF Fee¹ for doing so.

¹ Municipal has since increased its NSF Fee from \$30 each to \$32 each.

41. Without Plaintiff's knowledge and without obtaining a new authorization from Plaintiff, on or around March 1, 2017, Municipal processed the same item again, rejected the item again, and charged Plaintiff a *second* \$30 NSF Fee for doing so.

42. *In sum, Municipal charged Plaintiff \$60 in fees on an item.*

43. Plaintiff was also charged multiple fees on an item when Municipal reprocessed it without Plaintiff's knowledge and without obtaining a new authorization from Plaintiff on February 24, 2017 and March 3, 2017; twice on February 27, 2017 and March 6, 2017; twice on February 28, 2017 and March 7, 2017; March 6, 2017 and March 20, 2017; and July 11, 2017 and July 14, 2017.

44. Because Plaintiff only gave a single authorization or only drew a single check, Plaintiff understood each authorization to be a singular "item" as is laid out in the Contract, capable of receiving, at most, a single NSF Fee if Municipal returned it, or a single overdraft fee if Municipal paid it.

45. The improper fees charged by Municipal were not errors, but rather intentional charges made by Municipal as part of its standard processing of items.

46. Plaintiff therefore had no duty to report the fees as errors.

47. Moreover, any such reporting would have been futile as Municipal made a decision to charge the fee in this specific manner to maximize profits at the expense of customers like Plaintiff.

C. The Imposition of Multiple Fees on an Item Breaches Municipal's Duty of Good Faith and Fair Dealing

48. Parties to a contract are required not only to adhere to the express conditions in the contract, but also to act in good faith when they are invested with a discretionary power over the other party. This creates an implied promise to act in accordance with the parties' reasonable

expectations and means that Municipal is prohibited from exercising its discretion to enrich itself and gouge its customers. Indeed, Municipal has a duty to honor payment requests in a way that is fair to Plaintiff and its other customers and is prohibited from exercising its discretion to pile on ever greater penalties on the depositor.

49. Here—in the adhesion agreements Municipal foisted on Plaintiff and its other customers—Municipal has provided itself numerous discretionary powers affecting customers' accounts. But instead of exercising that discretion in good faith and consistent with consumers' reasonable expectations, Municipal abuses that discretion to take money out of consumers' accounts without their permission and contrary to their reasonable expectations that they will not be charged multiple fees for the same item unless Municipal receives an additional authorization for their ACH payment or the consumer draws a new check.

50. When Municipal charges multiple fees on an item without obtaining a new authorization from the consumer, it uses its discretion to define the meaning of "item" in a way that violates common sense and reasonable consumer expectations. Municipal uses its contractual discretion to define that term to choose a meaning that directly causes more fees.

51. In addition, Municipal exercises its discretion in its own favor and to the prejudice of Plaintiff and its other customers when it reprocesses an item when it knows (1) the customer has not provided a new authorization and (2) the customer's account lacks funds, and then charges additional fees on the same item. Further, Municipal abuses the power it has over customers and their bank accounts and acts contrary to their reasonable expectations under the Contract. This is a breach of Municipal's duty to engage in fair dealing and to act in good faith.

52. It was bad faith and totally outside of Plaintiff's reasonable expectations for Municipal to use its discretion to assess two or more fees on an item, when Plaintiff only authorized a single ACH or drew a single check.

53. Municipal abuses its discretion and acts in bad faith by defining contract terms in an unreasonable way that violates common sense and by charging multiple fees on the same item without obtaining a new authorization from the consumer.

CLASS ALLEGATIONS

54. Plaintiff brings this action individually and as a class action on behalf of the following proposed Class:

All consumers who, during the applicable statute of limitations, were Municipal Credit Union checking account holders and were assessed multiple fees on an item that was reprocessed by Municipal Credit Union without a new authorization from the consumer.

55. Plaintiff reserves the right to modify or amend the definition of the Class as this litigation proceeds.

56. Excluded from the Class are Municipal, its parents, subsidiaries, affiliates, officers and directors, any entity in which Municipal has a controlling interest, all customers who make a timely election to be excluded, governmental entities, and all judges assigned to hear any aspect of this litigation, as well as their immediate family members.

57. The time period for the Class is the number of years immediately preceding the date on which this Complaint was filed as allowed by the applicable statute of limitations, going forward into the future until such time as Municipal remedies the conduct complained of herein.

58. The members of the Class are so numerous that joinder is impractical. The Class consists of thousands of members, the identities of whom are within the exclusive knowledge of Municipal and can be readily ascertained only by resort to Municipal's records.

59. The claims of the representative Plaintiff are typical of the claims of the Class in that the representative Plaintiff, like all members of the Class, were charged multiple fees on an item for which Plaintiff gave only a single authorization. The representative Plaintiff, like all members of the Class, has been damaged by Municipal's misconduct in that she has been assessed unlawful NSF and overdraft fees. Furthermore, the factual basis of Municipal's misconduct is common to all members of the Class and represents a common thread of unlawful and unauthorized conduct resulting in injury to all members of the Class. Plaintiff has suffered the harm alleged and has no interests antagonistic to the interests of any other members of the Class.

60. There are numerous questions of law and fact common to the Class and those common questions predominate over any questions affecting only individual members of the Class.

61. Among the questions of law and fact common to the Class include:

- a. Whether Municipal violated contract provisions by charging additional fees when it reprocessed an item without obtaining a new authorization from the consumer;
- b. Whether Municipal breached its covenant of good faith and fair dealing through its fee policies and practices as described herein;
- c. The proper method or methods by which to measure damages; and
- d. The declaratory and injunctive relief to which the Class is entitled.

62. Plaintiff is committed to the vigorous prosecution of this action and has retained competent counsel experienced in the prosecution of class actions, particularly on behalf of consumers and against financial institutions. Accordingly, Plaintiff is an adequate representative and will fairly and adequately protect the interests of the Class.

63. A class action is superior to other available methods for the fair and efficient adjudication of this controversy. Since the amount of each individual class member's claim is

small relative to the complexity of the litigation, no class member could afford to seek legal redress individually for the claims alleged herein. Therefore, absent a class action, the members of the Class will continue to suffer losses and Municipal's misconduct will proceed without remedy.

64. Even if class members themselves could afford such individual litigation, the court system could not. Given the complex legal and factual issues involved, individualized litigation would significantly increase the delay and expense to all parties and to the Court. Individualized litigation would also create the potential for inconsistent or contradictory rulings. By contrast, a class action presents far fewer management difficulties, allows for the consideration of claims which might otherwise go unheard because of the relative expense of bringing individual lawsuits, and provides the benefits of adjudication, economies of scale, and comprehensive supervision by a single court.

65. Plaintiff suffers a substantial risk of repeated injury in the future. Plaintiff, like all Class members, is at risk of additional NSF or overdraft fees on repeated reprocessing of transactions that they did not request or authorize. Plaintiff and the Class members are entitled to injunctive and declaratory relief as a result of the conduct complained of herein. Money damages alone could not afford adequate and complete relief, and injunctive relief is necessary to restrain Municipal from continuing to commit its unfair and illegal actions.

FIRST CLAIM FOR RELIEF
Breach of Contract including Breach of the Covenant of Good Faith and Fair Dealing
(On Behalf of Plaintiff and the Class)

66. Plaintiff incorporates the preceding allegations by reference as if fully set forth herein.

67. Plaintiff and Municipal have contracted for banking services, as embodied in Municipal's account documents. *See* Exs. A & B.

68. All contracts entered by Plaintiff and the Class are identical or substantively identical because Municipal's form contracts were used uniformly.

69. Municipal has breached the express terms of its own agreements as described herein.

70. New York imposes a duty of good faith and fair dealing on contracts between financial institutions and their customers because financial institutions are inherently in a superior position to their checking account holders because, from a superior vantage point, they offer customers contracts of adhesion, often with terms not readily discernible to a layperson.

71. Good faith and fair dealing, in connection with executing contracts and discharging performance and other duties according to their terms, means preserving the spirit—not merely the letter—of the bargain. Put differently, the parties to a contract are mutually obligated to comply with the substance of their contract in addition to its form. Evading the spirit of the bargain and abusing the power to specify terms constitute examples of bad faith in the performance of contracts.

72. Municipal abused the discretion it granted to itself when it charged multiple fees on an item without obtaining a new authorization from the consumer.

73. In this and other ways, Municipal violated its duty of good faith and fair dealing.

74. Municipal willfully engaged in the foregoing conduct for the purpose of (1) gaining unwarranted contractual and legal advantages; and (2) maximizing fee revenue from Plaintiff and other members of the Class.

75. Plaintiff and members of the Class have performed all, or substantially all, of the obligations imposed on them under the agreements.

76. Plaintiff and members of the Class have sustained damages as a result of Municipal's breaches of the Contract, including breaches of the Contract through violations of the implied covenant of good faith and fair dealing.

REQUEST FOR RELIEF

WHEREFORE, Plaintiff and members of the Class demand a jury trial on all claims so triable and judgment as follows:

- a. Certification for this matter to proceed as a class action under Fed. R. Civ. P. 23;
- b. Designation of Plaintiff as the Class Representatives and designation of the undersigned as Class Counsel;
- c. Restitution of all improper fees paid to Municipal by Plaintiff and the Class because of the wrongs alleged herein in an amount to be determined at trial;
- d. Actual damages in amount according to proof;
- e. Pre- and post- judgment interest at the maximum rate permitted by applicable law;
- f. Costs and disbursements assessed by Plaintiff in connection with this action, including reasonable attorneys' fees pursuant to applicable law; and
- g. Such other relief as the Court deems just and proper.

JURY DEMAND

Plaintiff, by counsel, demands trial by jury.

Dated: September 10, 2021

Respectfully submitted,

/s/ James J. Bilsborrow

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Counsel for Plaintiff and the Proposed Class

ACCOUNT AGREEMENT AND RULES AND REGULATIONS FOR:

- REGULAR (PRIMARY) SHARE ACCOUNTS
- MONEY MARKET ACCOUNTS
- FASTTRACK CHECKING ACCOUNTS
- HOLIDAY CLUB ACCOUNTS
- VACATION CLUB ACCOUNTS
- YOUTH CLUB ACCOUNTS

Dear Credit Union Member,

This brochure contains the rules and regulations which will govern your account(s) with Municipal Credit Union (the "Credit Union") and certain mandated disclosures. Please read this brochure carefully. If you use your account after you have received this brochure it means you understand and agree to these rules and regulations. If you have any questions, please call us.

In addition to these rules and regulations, your account(s) will be subject to the by-laws of the Municipal Credit Union and all applicable Federal, State and local laws, rules and regulations, as now in effect and as from time to time amended.

The *Schedule of Dividends, Service Charges and Fees* for all MCU accounts is also incorporated as part of this account agreement.

RULES AND REGULATIONS APPLICABLE TO ALL ACCOUNTS

DEPOSITS: Deposits may be made at any time in person, by mail, via payroll deductions or electronic funds transfer. However, the minimum amount of any deposit made via payroll deduction or electronic funds transfer is \$5.00 per pay period.

WITHDRAWALS – GENERALLY: The Credit Union may refuse to permit withdrawals under certain circumstances, for example: (a) the withdrawal consists of funds deposited in the form of a check, draft or other payment instrument which has not been on deposit for the appropriate periods set forth in MCU's Funds Availability Schedule; (b) there exists a dispute about the account; (c) the funds sought to be withdrawn are pledged as collateral for a debt; (d) the withdrawal consists of money the Credit Union has credited towards an overdue debt you to owe it; (e) the funds sought to be withdrawn have been ordered restrained or transferred to a creditor other than the Credit Union; (f) proper documents or identification have not been presented. In accordance with the law, Municipal Credit Union reserves the right to require 30 days advance written notice of any intended withdrawal, except withdrawals from a checking (share draft) account.

TRANSFERABILITY: Shares are transferable only to qualified members and in accordance with procedures approved by Municipal Credit Union. No account may be assigned without the prior written consent of the Credit Union.

RIGHT OF SETOFF: The Credit Union has a right of set-off. This means the Credit Union may set-off against your accounts any liabilities or obligations owed the Credit Union, except when prohibited by law or specifically disclaimed by loan agreement.

JOINT ACCOUNTS: If an account is a joint account, you authorize the Credit Union to recognize any of the signatures subscribed on the signature card in the payment of funds or the transaction of any business for this account. The joint owners of the account hereby agree with each other and with the Credit Union that all sums now paid in on shares, or heretofore or hereafter paid in on shares, by any and all of the said joint owners with all accumulations thereon, are and shall be owned by them jointly, with right to survivorship and be subject to the withdrawal or receipt of any of them, and payment to any of them or the survivor or survivors shall be valid and discharge the Credit Union from any liability for such payment.

Each joint account owner agrees that he/she is jointly and separately liable for all liabilities, charges and other responsibilities which may arise in connection with the joint account or under this Account Agreement (including, but not limited to, any overdraft of the joint account), whether or not such liability or charge was caused by the actions of only one joint tenant. Unless the Credit Union is otherwise notified, in writing, by all owners of an account, each joint owner has full and independent authority to exercise control over and to conduct transactions related to the joint account, as fully as if he/she were a sole owner, and without the consent of or notice to any other joint owner. Such powers include, without limitation, the authority to: (a) transfer funds, including funds payable solely or jointly to another joint owner; (b) bind the joint tenant to the terms and conditions of any agreement for services provided to or in connection with the joint account; (c) pledge all or any part of the funds in the joint account as security for debts owed the Credit Union whether individual, joint, or of a non-owner; (d) receive notices, confirmations, statements, demands and other communications concerning this Account Agreement or the joint account.



IN TRUST FOR ACCOUNTS: This account establishes another person or persons as beneficiary(ies) for an individual or joint account. The beneficiary receives the funds in the account only upon the death of all account owners and cannot make any withdrawals or account changes before this time. During the lifetime of one or more account owners, this account will be treated as an individual account or joint account, as applicable. At our discretion, the Credit Union will accommodate a beneficiary name change. In that event, all account owners must sign all applicable account documents.

CONVENIENCE ACCOUNTS: If an account is a convenience account, it is understood and agreed that the initial deposit, and any additions or accruals thereto, are the property of the owner individually and, as such, only the owner may request that the account be closed during his or her lifetime. Upon the death of the owner, the other named person on the account shall have no right of survivorship in the account. However, the Credit Union may honor withdrawal requests from either the owner or the other named person. Prior to receiving written notice of either the owner's death or the owner's instructions not to pay any monies in this account to the other named person on the account, the Credit Union may honor, and will not be responsible for, withdrawals by the other named person.

CUSTODIAL (UNIFORM TRANSFERS TO MINORS ACT) ACCOUNTS: The funds in this account are owned by a minor, who receives the funds as a permanent (irrevocable) gift. The account is controlled by a custodian, who manages the account for the minor's benefit. One custodian and one minor are allowed per account. The Credit Union will act upon the custodian's instructions. You may wish to consult your tax advisor or attorney before opening up this type of account.

ABANDONED ACCOUNTS: If your account becomes abandoned, the shares will be turned over to the State of New York under the Abandoned Property Law and your account will be debited for a pro rata share of Municipal Credit Union's advertising expenses. An account is considered abandoned if it is inactive for a period of three (3) consecutive years. Your account will be considered inactive unless you do one of the following: (1) deposit or withdraw funds; (2) submit something in writing showing us you are aware of the account.

YOUR CONSENT TO RECEIVE CALLS: You agree that if you provide or have provided any telephone number, including a cell phone number, on your membership application, other Credit Union form, or verbally, you are giving the Credit Union your consent to contact you at such telephone number(s) to discuss or communicate the status of your accounts or applications, whether these numbers are dialed manually or by means of an automatic telephone dialing system or pre-recorded message. You may revoke this consent at any time by notifying the Credit Union by letter addressed to: Municipal Credit Union, P.O. Box 905, Peck Slip Station, New York, NY 10272-0905, Attn: Opt-Out Unit.

FUNDS TRANSFER: If you ask the Credit Union to transfer funds between accounts at the Credit Union or to certain third parties outside the Credit Union, and such transfers are not covered by a separate agreement you have with the Credit Union pursuant to the Federal Electronic Funds Transfer Act (for instance, the ATM Card, Home Banking or Touch Tone Teller Agreements), the following conditions will govern such transfers:

- All funds transfer orders, or communications cancelling or amending such orders, shall be in writing. The cutoff time for receipt of processing of a funds transfer order shall be 12:00 p.m. on each Credit Union business day. The same cutoff time will apply to communications cancelling or amending such orders.
- You will receive notice of MCU's crediting of a funds transfer to any of your MCU account(s) through the regular periodic statement MCU provides for such account(s).
- The Credit Union is under no obligation to accept or act upon a fund transfer order.
- Unless specified otherwise, all pre-authorized funds transfers to third parties shall be executed as of the last day of each calendar month.
- You agree that thirty (30) days following your receipt of the first periodic statement on which the transfer appeared is a reasonable time within which to notify the Credit Union of an unauthorized or erroneously executed funds transfer order.
- In no event shall the Credit Union be liable to you for any incidental, consequential or special damages, including attorney fees, result from late or improper execution or failure to execute a funds transfer order.

ORDER CHECKS AND DEBITS ARE PAID: The Credit Union may accept, pay or charge to the appropriate Account checks and other debit transactions in any order we choose. The Credit Union may establish different processing orders for checks and other types of debit transactions (i.e., in person or ATM withdrawals, point-of-sale transactions, pre-authorized payments or transfers, telephone initiated transfers, ACH transactions, on-line banking transfers or bill payments, or any other type of instruction or order for the payment, transfer or withdrawal of funds). We may establish different categories for checks and other types of debit transactions and we may establish a processing priority among these different categories. For example, we may treat ATM withdrawals as one category and checks as another category and then process ATM withdrawals before checks. Within each category, we may process checks or other debit transactions in any order we choose. Methods the Credit Union may use for processing include, but are not limited to: by dollar amount from highest to lowest, by dollar amount from lowest to highest, by number, or by date. We may in our sole discretion change our priorities, categories, or orders at any time without notice to you.

AMENDMENTS: The Credit Union may amend any term of this Agreement and your account at any time. In accordance with the requirements of the applicable law, we will notify you of any increased charge or change through the Credit Union newsletter, account statement or other separate notice mailed to you at the most recent address shown for you on our records. Notice to any one of you is notice to all of you.

ADDITIONAL RULES FOR FASTRACK CHECKING AND MONEY MARKET ACCOUNTS

BLANK CHECKS: Only blank checks (share drafts) and other methods approved by the Credit Union may be used to withdraw funds from FasTrack Checking and Money Market Accounts.

TRUNCATION AND IMAGING: The Credit Union uses a truncated check (share draft) processing system which utilizes the efficiencies of the federal Check 21 law. In this system, the checks you write will be converted into images during the check collections and return process and then forwarded electronically to the Credit Union for payment. The bank or other entity which converted the original paper check into an image will usually retain the paper check for a short period and then destroy it. The Credit Union will retain a copy of the check image for a period of at least seven years. You may opt to have copies of your checks sent along with your periodic statements for a fee (see the Schedule of Dividends, Service Charges and Fees for details). Photocopies of individual checks will be provided upon request and applicable fees for providing you with the same will be automatically debited against your account.

In processing your checks electronically, the Credit Union will be relying on the information encoded at the bottom of the checks by the bank or other entity which converted the paper check into an image. That means we may not examine individual items to verify whether the item was encoded, signed or indorsed correctly. You agree that the Credit Union does not fail to exercise reasonable care solely by utilizing this automated process and you agree not to hold the Credit Union liable for errors that result from processing a check based on the information received from the converting institution.

WITHDRAWALS: There is no limit on the number of checks (drafts) you may draw against your FasTrack Checking Account. However, you may draw no more than six (6) checks during any monthly cycle against your Money Market Account (subject to the overall limitations described in the Transaction Limitations section of the Truth in Savings Disclosure for Money Market Accounts set forth below). If you present a check (share draft) made payable to yourself or to "cash" at any of our branches, the check will be processed as an over-the-counter withdrawal and will be debited from your account on the date of such payment.

DEPOSITS: The minimum deposit required to open a Money Market Account is \$2,500.00.

TERMINATION OF ACCOUNT: The Credit Union reserves the right to close a FasTrack Checking Account or Money Market Account at any time by mailing you notice of the same. The Credit Union is not liable for refusing to pay any share draft or check presented after an account is closed.

ADDITIONAL RULES FOR CLUB ACCOUNTS

• **HOLIDAY CLUB ACCOUNT:** This account runs on a one-year cycle from the first day of November of each year to the last day of October of the following year. In early November, of each year, unless you have previously instructed us otherwise, we will transfer the entire balance on deposit in the account as of the close of business of the last day of October, to your FasTrack Checking Account, or if you have no FasTrack Checking Account, to your Regular Share Account. If deposits continue to be received after the last day of October in any year, or if you have elected to rollover your entire account balance at cycle-end, this account will automatically renew for another one-year cycle.

• **VACATION CLUB ACCOUNT:** This account runs on a one-year cycle from the first day of May of each year to the last day of April the following year. In early May of each year, unless you have previously instructed us otherwise, we will transfer the entire balance on deposit in the account as of the close of business on the last day of April to your FasTrack Checking Account or, if you have no FasTrack Checking Account, your Regular Share Account. If deposits continue to be received after the last day of April in any year, or if you have elected to rollover your entire account balance at cycle-end, this account will automatically renew for another one-year cycle.

• **YOUTH CLUB ACCOUNTS:** These accounts may only be opened and maintained as either: (a) a Convenience Account in the name of a minor between the ages of 13 and 21 (who will be designated the Owner of the account) together with a person at least 21 years of age (who will be designated the For Convenience Only Adult), to be paid or delivered to either "for the convenience" of the Owner/minor; or (b) a Custodial Account established pursuant to the N.Y. Uniform Transfers Act for the benefit of a minor under the age of 21, with a person at least 21 years of age designated as the Custodian thereof. For both types of accounts, the social security number of the minor is to be used for income tax reporting. When the minor turns 21 years of age, this account must be closed and the remaining monies in this account transferred to one of the Credit Union's other deposit accounts. At such time, new account signature cards will need to be completed. A notice reminding the minor of this requirement will be mailed at least thirty (30) days prior to the minor's 21st birthday. Whether or not the minor receives such notice, the remaining monies in this account will be automatically transferred to a Regular Share Account in the sole name of the minor (bearing the then current terms and conditions applicable to such accounts), unless the minor gives the Credit Union other written instruction prior to or within 10 days after the minor's 21st birthday.

GENERAL TERMS

WITHDRAWALS: Only two withdrawals prior to the end of the yearly cycle will be permitted against Holiday and Vacation Club Accounts and the second of these withdrawals must consist of all monies in the account. Upon the withdrawal of all monies, the account will be closed and any payroll deduction or electronic funds transfer deposits to this account must cease for the remainder of the yearly cycle. Any payroll deduction or electronic funds transfer deposits which may be received subsequent to the closing of the account will be credited to your Regular Share Account unless the Credit Union is instructed otherwise.

STATEMENTS: The statement for this account will be forwarded to you along with the quarterly statement for your Regular Share Account.

TRUTH IN SAVINGS DISCLOSURE

REGULAR SHARE ACCOUNT

RATE INFORMATION: The dividend rate and annual percentage yield (APY) may change every dividend period as determined by the Credit Union Board of Directors.

COMPOUNDING AND CREDITING: Dividends will be compounded quarterly and will be credited on the last business day of each calendar quarter. For this type of account the dividend period is quarterly, for example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is March 31. All other dividend periods follow the same pattern of dates. The dividend declaration date follows the ending date of the dividend period, and for the example is April 1. If you close your account before dividends are credited, you will not receive accrued dividends.

MINIMUM BALANCE REQUIREMENTS: The minimum balance to open this account is the purchase of a \$5.00 share in the Credit Union. You must maintain a minimum average daily balance of \$500.00 in your account to obtain the disclosed annual percentage yields. You must maintain a combined balance of \$500.00 in one or a combination of your Credit Union accounts on the last day of each calendar month to avoid a service charge. The par value of a regular share in this Credit Union is \$5.00.

BALANCE COMPUTATION METHOD: Dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

ACCRUAL OF DIVIDENDS ON NON-CASH ITEMS: Dividends will begin to accrue on the business day you deposit non-cash items (e.g., checks) to your account.

TRANSACTION LIMITATIONS: During any calendar month, you may not make more than six withdrawals or transfers to another Credit Union account of yours or to a third-party by means of a pre-authorized or automatic transfer or telephonic order or instruction (including Touch Tone Teller and home banking transfers and checks).

NATURE OF DIVIDENDS: Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

MONEY MARKET ACCOUNT

RATE INFORMATION: The disclosed dividend rates and annual percentage yields (APYs) are applicable to the specified average daily balance tier. The dividend rates and APYs may change weekly as determined by the Credit Union. The dividend rate paid on each average daily balance tier will be calculated by averaging the published anticipated dividend rates applicable to such tier for the weeks of the monthly dividend period.

COMPOUNDING AND CREDITING: Dividends are compounded monthly and will be credited to your account on the last business day of each calendar month. For this type of account, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar is January 1 and ending date of a dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example is February 1. If you close your account before dividends are credited, you will not receive accrued dividends.

MINIMUM BALANCE REQUIREMENTS: The minimum balance required to open this account is \$2,500.00. You must maintain a minimum average daily balance of \$2,500.00 in your account to avoid a service charge (fee). If, during any calendar month your average daily balance is below the required minimum, your account will be subject to a service charge (fee) of \$5.00 for that month.

BALANCE COMPUTATION METHOD: Dividends are calculated by the average daily balance method which applies a daily rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balances in the account for each day of the period and dividing that figure by the number of days in the period.

TRANSACTION LIMITATION: During any calendar month, you may not make more than six withdrawals or transfers to another Credit Union account of yours or to a third-party by means of a pre-authorized or automatic transfer or telephonic order or instruction (including Touch Tone Teller and home banking transfers and transfers made by check, draft, debit card, or similar order to a third party).

ACCRUAL OF DIVIDENDS ON NON-CASH ITEMS: Dividends will begin to accrue on the business day you deposit non-cash items to your account.

NOTICE OF DIVIDENDS: Dividends are paid from current income and available earnings, after required transfers to reserves at the end of the dividend period.

FASTRACK CHECKING ACCOUNT

MINIMUM BALANCE REQUIREMENTS: No minimum balance requirements apply to this account.

TRANSACTION LIMITATIONS: No transaction limitations apply to this account.

CLUB ACCOUNTS

RATE INFORMATION: The dividend rate and annual percentage yield (APY) may change every dividend period as determined by the Credit Union Board of Directors.

COMPOUNDING AND CREDITING: Holiday and Vacation Club Accounts – Dividends will be compounded monthly and will be credited on the last business day of each calendar month. For these types of accounts, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example is February 1. If you close your account before the dividends are credited, you will not receive accrued dividends.

Youth Club Accounts- Dividends will be compounded quarterly and will be credited on the last business day of each calendar quarter. For these types of accounts, the dividend period is quarterly, for example, the beginning date of the first dividend paid on the calendar year is January 1 and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example is April 1. If you close your account before dividends are credited, you will not receive accrued dividends.

MINIMUM BALANCE REQUIREMENT: The minimum balance required to open a Holiday or Vacation Club Account is \$5.00. The minimum balance required to open a Youth Club Account is \$10.00.

BALANCE COMPUTATION METHOD: Dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

ACCRUAL OF DIVIDENDS ON NON-CASH ITEMS: Dividends will begin to accrue on the business day you deposit non-cash items (e.g., checks) to your account.

TRANSACTION LIMITATIONS: On Holiday and Vacation Club Accounts, only two withdrawals prior to the end of the applicable yearly cycle will be permitted and the second of these withdrawals must consist of all monies in the account. For Youth Club Accounts, during any calendar month, you may not make more than six withdrawals or transfers to another Credit Union account of yours or to a third-party by means of a pre-authorized or automatic transfer or telephonic order or instruction (including Touch Tone Teller and home banking transfers and transfers made by check, draft, debit card, or similar order to a third party).

NATURE OF DIVIDENDS: Dividends are paid from current income and available earnings, after required transfers to reserves at the end of the dividend period.



SCHEDULE OF DIVIDENDS, SERVICE CHARGES AND FEES

(As of October 1, 2020 and every dividend declaration date thereafter unless otherwise specified below or hereafter amended).

This Schedule of Dividends, Service Charges and Fees sets forth certain conditions, rates, fees and charges applicable to Regular Share Accounts, FasTrack Checking (share draft) Accounts, Basic Share Draft Accounts, Money Market Accounts, Share Certificate Accounts and Club Accounts (Holiday Club, Vacation Club, Youth Custodial and Youth Convenience Accounts), at the Municipal Credit Union ("MCU"). This Schedule is incorporated as part of your account agreement with MCU and may be amended at any time. Notice of changes will be provided as required by applicable law.

REGULAR (PRIMARY) SHARE ACCOUNTS

DIVIDENDS: As of the last dividend declaration date, if your average daily balance was:

- \$50,000 or more: the dividend rate paid on the entire balance in your account was 0.15%, with an APY of 0.15%.
- \$4,000 or more, but less than \$50,000: the dividend rate paid on the entire balance in your account was 0.07%, with an APY of 0.07%.
- \$1,000 or more, but less than \$4,000: the dividend rate paid on the entire balance in your account was 0.05%, with an APY of 0.05%.
- \$500 or more, but less than \$1,000: the dividend rate paid on the entire balance in your account was 0.05%, with an APY of 0.05%

Dividends are compounded quarterly and are credited to this account the last business day of each quarter.

SERVICE CHARGES AND FEES:

Minimum Balance Charge: At the end of any calendar month in which you do not maintain an average daily balance of at least \$500.00, in one or a combination of your MCU deposit accounts (under the same root account number), your Regular Share Account will be assessed a Minimum Balance Charge of \$9.00. The average daily balance is calculated by adding the balances in your MCU deposit accounts (under the same root account number) at the end of each day of the month, and dividing that figure by the number of days in the month. This fee will be initially and principally assessed against your Regular Share Account. However, if there are inadequate funds in your Regular Share Account, the fee may be offset and collected against available balances in your MCU deposit accounts in the following order: FasTrack Checking Account, Holiday Club Account, Vacation Club Account and Money Market Account. Deposits and withdrawals shall be deemed to be made when recorded on MCU's books and not necessarily on the date you initiated the transaction.



This *Minimum Balance Charge* will be waived for the following reasons:

- If you have an outstanding balance on (i) a secured loan; and/or (ii) an active secured VISA Card Line of Credit; and/or (iii) an active Home Equity Line of Credit; and maintain a minimum average daily balance of \$5.00 in combined balances.
- If you have an outstanding balance on (i) an unsecured loan (excluding Overdraft Line of Credit and Step Line of Credit accounts) and/or (ii) an active unsecured VISA Card Line of Credit; and maintain a minimum average daily balance of \$250.00 in combined balances.
- If you are 62 years of age or older, or 21 years of age or younger (in the case of a joint account, eligibility will be based on the age of the primary account holder).
- If your Regular Share Account has been open less than one full year.
- If you opened your Regular Share Account under the Young Executive program and the primary account holder is under the age of 25.
- If your Regular Share Account was opened under (or later converted to) the MCU² program within the last five years and the primary account holder is under the age of 25.

NSF Fee: Each time an ACH debit request or bill payment you authorize, or check (share draft) you draw, is presented and returned as unpayable for any reason, a \$32.00 service charge will be assessed.

Setoff Service Charge: Each time MCU exercises its right of setoff and transfers shares from this account to a delinquent account, a \$10.00 service charge will be assessed.

Please refer to “OTHER FEES AND CHARGES” below for other applicable fees.

FASTRACK CHECKING ACCOUNTS

DIVIDENDS: No dividends are earned or paid.

SERVICE CHARGES AND FEES:

Minimum Balance Charge: At the end of any calendar month in which you do not maintain an average daily balance of at least \$500.00, in one or a combination of your MCU deposit accounts (under the same root account number), your Regular Share Account will be assessed a Minimum Balance Charge of \$9.00. The average daily balance is calculated by adding the balances in your MCU deposit accounts (under the same root account number) at the end of each day of the month, and dividing that figure by the number of days in the month. This fee will be initially and principally assessed against your Regular Share Account. However, if there are inadequate funds in your Regular Share Account, the fee may be offset and collected against available balances in your MCU deposit accounts in the following order: FasTrack Checking Account, Holiday Club Account, Vacation Club Account and Money Market Account. Deposits and withdrawals shall be deemed to be made when recorded on MCU’s books and not necessarily on the date you initiated the transaction.



This *Minimum Balance Charge* will be waived for the following reasons:

- If you have an outstanding balance on (i) a secured loan; and/or (ii) an active secured VISA Card Line of Credit; and/or (iii) an active Home Equity Line of Credit; and maintain a minimum average daily balance of \$5.00 in combined balances.
- If you have an outstanding balance on (i) an unsecured loan (excluding Overdraft Line of Credit and Step Line of Credit accounts) and/or (ii) an active unsecured VISA Card Line of Credit; and maintain a minimum average daily balance of \$250.00 in combined balances.
- If you are 62 years of age or older, or 21 years of age or younger (in the case of a joint account, eligibility will be based on the age of the primary account holder).
- If your Regular Share Account has been open less than one full year.
- If you opened your Regular Share Account under the Young Executive program and the primary account holder is under the age of 25.
- If your Regular Share Account was opened under (or later converted to) the MCU² program within the last five years and the primary account holder is under the age of 25.

NSF Fee: Each time an ACH debit request or bill payment you authorize, or check (share draft) you draw, is presented and returned as unpayable for any reason, a \$32.00 service charge will be assessed.

Check Image Fee: If you elect to obtain images of paid checks, a \$2.50 fee will be assessed each month, unless you have a combined balance of \$2,000.00 or more in all your MCU accounts (under the same root account number) as of the last day of the previous calendar month.

Please refer to “OTHER FEES AND CHARGES” below for other applicable fees.

HOLIDAY AND VACATION CLUB ACCOUNTS

DIVIDENDS: As of the last dividend declaration date, the dividend rate paid on the entire average daily balance in this account was 0.05%, with an APY of 0.05%.

Dividends are compounded monthly and are credited to this account on the last business day of each month.

SERVICE CHARGES AND FEES:

Minimum Balance Charge: At the end of any calendar month in which you do not maintain an average daily balance of at least \$500.00, in one or a combination of your MCU deposit accounts (under the same root account number), your Regular Share Account will be assessed a Minimum Balance Charge of \$9.00. The average daily balance is calculated by adding the balances in your MCU deposit accounts (under the same root account number) at the end of each day of the month, and dividing that figure by the number of days in the month. This fee will be initially and principally assessed against your Regular Share Account. However, if there are inadequate funds in your Regular Share Account, the fee may be offset and collected against available balances in your MCU deposit accounts in the following order: FasTrack Checking Account, Holiday Club



Account, Vacation Club Account and Money Market Account. Deposits and withdrawals shall be deemed to be made when recorded on MCU's books and not necessarily on the date you initiated the transaction.

This *Minimum Balance Charge* will be waived for the following reasons:

- If you have an outstanding balance on (i) a secured loan; and/or (ii) an active secured VISA Card Line of Credit; and/or (iii) an active Home Equity Line of Credit; and maintain a minimum average daily balance of \$5.00 in combined balances.
- If you have an outstanding balance on (i) an unsecured loan (excluding Overdraft Line of Credit and Step Line of Credit accounts) and/or (ii) an active unsecured VISA Card Line of Credit; and maintain a minimum average daily balance of \$250.00 in combined balances.
- If you are 62 years of age or older, or 21 years of age or younger (in the case of a joint account, eligibility will be based on the age of the primary account holder).
- If your Regular Share Account has been open less than one full year.
- If you opened your Regular Share Account under the Young Executive program and the primary account holder is under the age of 25.
- If your Regular Share Account was opened under (or later converted to) the MCU² program within the last five years and the primary account holder is under the age of 25.

Please refer to "OTHER FEES AND CHARGES" below for other applicable fees.

YOUTH CUSTODIAL AND CONVENIENCE CLUB ACCOUNTS

DIVIDENDS: As of the last dividend declaration date, the dividend rate paid on the entire average daily balance in this account was 0.10%, with an APY of 0.10%.

Dividends are compounded quarterly and are credited to this account on the last business day of each quarter.

SERVICE CHARGES AND FEES: The Minimum Balance Charge does not apply to these accounts. Please refer to "OTHER FEES AND CHARGES" below for applicable fees.

MONEY MARKET ACCOUNTS

DIVIDENDS: As of the last dividend declaration date, if your average daily balance was:

- \$50,000.00 or more: the dividend rate paid on the entire balance in your account was 0.25%, with an APY of 0.25%.
- more than \$24,999.99, but less than \$50,000.00: the dividend rate paid on the entire balance in your account was 0.20%, with an APY of 0.20%.
- more than \$9,999.99, but less than \$25,000.00: the dividend rate paid on the entire balance in your account was 0.15%, with an APY of 0.15%.



- more than \$2,499.99, but less than \$10,000.00: the dividend rate paid on the entire balance in your account was 0.10%, with an APY of 0.10%.

The dividend rates and APYs may change weekly as determined by MCU. Dividends are compounded monthly and are credited to this account on the last business day of the calendar month.

SERVICE CHARGES AND FEES:

Minimum Balance Charge: At the end of any calendar month in which you do not maintain an average daily balance of at least \$500.00, in one or a combination of your MCU deposit accounts (under the same root account number), your Regular Share Account will be assessed a Minimum Balance Charge of \$9.00. The average daily balance is calculated by adding the balances in your MCU deposit accounts (under the same root account number) at the end of each day of the month, and dividing that figure by the number of days in the month. This fee will be initially and principally assessed against your Regular Share Account. However, if there are inadequate funds in your Regular Share Account, the fee may be offset and collected against available balances in your MCU deposit accounts in the following order: FasTrack Checking Account, Holiday Club Account, Vacation Club Account and Money Market Account. Deposits and withdrawals shall be deemed to be made when recorded on MCU's books and not necessarily on the date you initiated the transaction.

This *Minimum Balance Charge* will be waived for the following reasons:

- If you have an outstanding balance on (i) a secured loan; and/or (ii) an active secured VISA Card Line of Credit; and/or (iii) an active Home Equity Line of Credit; and maintain a minimum average daily balance of \$5.00 in combined balances.
- If you have an outstanding balance on (i) an unsecured loan (excluding Overdraft Line of Credit and Step Line of Credit accounts) and/or (ii) an active unsecured VISA Card Line of Credit; and maintain a minimum average daily balance of \$250.00 in combined balances.
- If you are 62 years of age or older, or 21 years of age or younger (in the case of a joint account, eligibility will be based on the age of the primary account holder).
- If your Regular Share Account has been open less than one full year.
- If you opened your Regular Share Account under the Young Executive program and the primary account holder is under the age of 25.
- If your Regular Share Account was opened under (or later converted to) the MCU² program within the last five years and the primary account holder is under the age of 25.

Low Balance Fee: If the average daily balance in this account is less than \$2,500.00 in any monthly statement cycle, a \$5.00 fee will be assessed.

NSF Fee: Each time an ACH debit request or bill payment you authorize, or check (share draft) you draw is presented and returned as unpayable for any reason, a \$32.00 service charge will be assessed.



Check Image Fee: If you elect to obtain images of paid checks, a \$2.50 fee will be assessed each month, unless you have a combined balance of \$2,000.00 or more in all your MCU accounts (under the same root account number) as of the last day of the previous calendar month.

Please refer to “OTHER FEES AND CHARGES” below for other applicable fees.

SHARE CERTIFICATE ACCOUNTS

DIVIDENDS: The dividend rate and APY on these accounts are established and separately disclosed in the Share Certificate Agreement at the time the account is opened.

Dividends will be compounded monthly and will be credited monthly, on the monthly anniversary date of the opening of your account. If you close your account before dividends are credited, you will not receive accrued dividends.

SERVICE CHARGES AND FEES: Please refer to “OTHER FEES AND CHARGES” below for applicable fees. Any applicable fee for these accounts will be initially and principally assessed against your Regular Share Account. However, if there are inadequate funds in your Regular Share Account, the fee will be charged to your FasTrack Checking Account, Youth Custodial/Convenience Account, Holiday/Vacation Club Account, Money Market Account, or Share Certificate Account.

WITHDRAWAL PENALTIES: We may impose a penalty if you withdraw any of the principal (including dividends earned during previous term(s)) in your account before the maturity date. The penalty will equal ninety (90) days dividends on the principal amount withdrawn from accounts with terms of less than one year, and one hundred eighty (180) days dividends on the principal amount withdrawn from accounts with terms of one year or more.

MCU CASH CONNECTION CARD AND DEBIT CARD

SERVICE CHARGES AND FEES: There is no fee or charge for cash machine transactions or inquiries you make at ATMs or kiosks owned by MCU (proprietary ATMs). There is also no fee or charge for Point of Sale (POS) or Debit Card purchase transactions you make at participating merchants. In addition, there is no charge for cash machine transactions made at ATMs not owned by MCU (non-proprietary ATMs) if you have a combined balance of \$2,000.00 or more in one or a combination of your MCU deposit accounts (under the same root account number) after the completion of these transactions. However, if you have a combined balance of less than \$2,000.00 on deposit after the completion of these transactions, the following fees apply:

- **Foreign ATM Withdrawal Fee:** (for withdrawals made at ATMs not owned by MCU): \$3.00.
- **Foreign ATM Inquiry/Transfer Fee:** (for balance inquiries or transfers made at ATMs not owned by MCU): \$1.00.

If you initiate a transaction from an ATM not owned by MCU, a separate fee may be imposed by the ATM operator or by any regional or local network utilized to effectuate the transaction.

Please refer to “OTHER FEES AND CHARGES” below for other applicable fees.



MCU AUTOMATED SERVICES - TOUCH TONE TELLER

SERVICE CHARGES AND FEES: None.

NYMCU ONLINE BANKING

SERVICE CHARGES AND FEES: None.

MCU BILLPAY

SERVICE CHARGES AND FEES: None for the use of this service. Please refer to Bill Pay Agreement for other fees connected to this service.

MCU E-STATEMENTS

SERVICE CHARGES AND FEES: None.

OTHER FEES AND CHARGES

- **STATEMENT COPY FEE** (for an additional statement copy): \$2.00 per statement.
- **CONDENSED STATEMENT FEE** (for a printout of transaction history by month): \$1.00 per each month requested.
- **CHECK COPY FEE** (for a copy of a cancelled check): \$1.50 per check.
- **CHECK PRINTING CHARGE:** Charge varies depending on style of checks ordered.
- **COUNTER CHECK FEE** (for a sheet of 4 checks): \$5.00.
- **N.G. CHECK CHARGE** (for depositing a check which is later returned as unpayable for any reason): \$10.00.
- **NSF FEE** (each time an ACH debit request or bill payment you authorize, or check (share draft) you draw, is presented and returned as unpayable for any reason): \$32.00 per item.
- **LEGAL DOCUMENTS FEE** (for processing a legal document served upon MCU pertaining to any of your accounts): \$75.00.
- **MONEY ORDER FEE:** \$2.00 per money order.
- **OFFICIAL CHECK FEE** (for an Official Check payable to a third party): \$5.00 (waived if: (i) you have at least \$2,000.00 in combined deposit balances after the check withdrawal, or (ii) are at least 62 years of age, or (iii) the check was issued as part of a withdrawal from a Youth Account).
- **ATM CARD FEE** (for replacing a Debit Card or Cash Connection Card): \$5.00 per request.
- **ATM PIN REPLACEMENT FEE:** \$3.00 per request.



- **STOP PAYMENT CHARGE:** \$20.00 per order.
- **ABANDONED PROPERTY MAILING & PUBLICATION COSTS:** MCU will deduct from the value of any abandoned property in your account a portion of the mailing and publication costs that we incur in connection with our due diligence obligations under the New York Abandoned Property Law. The deduction for publication costs will be calculated on a pro rata basis in accordance with the methods prescribed by the Office of the New York State Comptroller. The amount of any deduction for mailing costs will vary based on prevailing mailing rates.
- **INACTIVITY FEE** (if no deposits or withdrawals are posted to your checking/share draft account for six (6) months, your checking/share draft account will be assessed an Inactivity Fee): \$5.00. The Inactivity Fee will be assessed on a monthly basis until an eligible deposit or withdrawal activates the account. Eligible account transactions include member-authorized deposits and withdrawals, and fees resulting from member-initiated transactions such as ATM transaction fees, NSF fees for returned payments and stop payment fees. The Inactivity Fee will be waived if the primary account holder is age 62 or older or age 24 or younger.
- **ACCOUNT VERIFICATION FEE** (if you authorize MCU to issue a document, to you or a third party, verifying your account information): \$10.00.
- **RETURNED MAIL FEE** (if any correspondence sent by MCU to your mailing address is returned by the U.S. Postal Service for any reason): \$5.00. The Returned Mail Fee will be assessed at the end of each month that your mailing address remains undeliverable, until you update your mailing address and mail is no longer returned by the Postal Service.
- **IMMIGRATION LETTER FEE** (for issuing a notarized letter confirming the member's MCU account ownership, to be used in connection with a U.S. immigration application): \$ 10.00.

This Schedule is not intended to be a complete list of all fees and service charges. Other incidental fees and charges may apply for special or unusual services.