

IMPORTANT CHANGES TO YOUR ACCOUNT



Some of the terms and conditions for your accounts are changing effective November 1, 2016. Please review the changes listed below as they may affect your account. If you have questions about these changes, please contact us at 800-475-1150. Thank you for your membership and we will continue to strive to bring you the best products and services for your needs.

Deposits Federally Insured by NCUA



NOTICE OF CHANGE IN TERMS – TERMS & CONDITIONS DISCLOSURE

The following items are changing on the Terms & Conditions disclosure (all accounts):

New Terms and Conditions Added

Power of Attorney

You may wish to appoint an agent to conduct transactions on your behalf. (We, however, have no duty or agreement whatsoever to monitor or insure that the acts of the agent are for your benefit.) This may be done by allowing your agent to sign in that capacity on the signature card or by separate form, such as a power of attorney. A power of attorney continues until your death or the death of the person given the power. If the power of attorney is not “durable,” it is revoked when you become incompetent. We may continue to honor the transactions of the agent until: (a) we have received written notice or have actual knowledge of the termination of the authority or the death of an owner, and (b) we have had a reasonable opportunity to act on that notice or knowledge. You agree not to hold us responsible for any loss or damage you may incur as a result of our following instructions given by an agent acting under a valid power of attorney.

Stale-Dated Checks

We are not obligated to, but may at our option, pay a check, other than a certified check, presented for payment more than six months after its date. If you do not want us to pay a stale-dated check, you must place a stop-payment order on the check in the manner we have described elsewhere.

NCUA Insurance

Funds in your account(s) with us are insured by the National Credit Union Administration (NCUA) and backed by the full faith and credit of the United States. The amount of insurance coverage you have depends on the number of accounts you have with us that are of different “ownership.” An individual account is one unique form of “ownership”; a joint account, a pay-on-death account, and a self directed qualified retirement account (e.g., an IRA) are examples of some of the others. Share insurance for a person’s self directed qualified retirement account is up to \$250,000. (An IRA is a self directed qualified retirement account as is any account where the owner decides where and how to invest the balance.) Funds are insured to \$250,000 per depositor for the total of funds combined in all of your other insured accounts with us. If you want a more detailed explanation or additional information, you may ask us or contact the NCUA. You can also visit the NCUA website at www.ncua.gov and click on the Share Insurance link. The link includes detailed contact information as well as a share insurance estimator.

Check Storage and Copies

You agree that you will not receive your canceled checks. We will store your canceled checks or copies of them for a reasonable retention period. You may request copies from us in the manner we require.

Membership Eligibility

You may be eligible to join this Credit Union if you live or work in any county in Collins Community Credit Union’s field of membership, or if you are the family member of a CCCU member. Businesses and organizations must have a place of business within CCCU’s field of membership.

In addition, you must purchase and maintain at least one share as required by the credit union’s bylaws. A joint owner on any account offered by this credit union does not receive an additional vote.

International ACH Transactions

Financial institutions are required by law to scrutinize or verify any international ACH transaction (IAT) that they receive against the Specially Designated Nationals (SDN) list of the Office of Foreign Assets Control (OFAC). This action may, from time to time, cause us to temporarily suspend processing of an IAT and potentially affect the settlement and/or availability of such payments.

Monitoring and Recording Telephone Calls

We may monitor or record phone calls for security reasons and to ensure that you receive courteous and efficient service. You consent in advance to any such recording. We need not remind you of our recording before each phone conversation.

(This provision will also specify that calls can be recorded to maintain a record, and that the member consents, other than for telemarketing, to CCCU contacting the member using any telephone numbers or email addresses on file.)

Terms and Conditions Removed

Temporary Account Agreement

If this option is selected, this is a temporary account agreement. Each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

Terms and Conditions Revised (summary of certain section changes)

Table of Contents

We will be adding a Table of Contents and number the sections. This should make the information easier to read or find specific information.

Agreement

A statement will be added that nothing in the Terms & Conditions is intended to vary the institution's duty to act in good faith and with ordinary care when required by law.

Deposit

A provision will be added that unless prohibited by law, CCCU can charge back the amount of any item which was initially paid by the payor bank and which is later returned due to an allegedly forged, unauthorized or missing endorsement, claim of alteration, encoding error or other problem which in the institution's judgment justifies reversal of credit.

A provision will be added that CCCU may attempt to collect previously returned items without giving the depositor notice, and it may permit the payor bank to hold an item beyond the midnight deadline.

Withdrawals

The following text will be added to further clarify that just because funds are available, the credit can still be reversed: An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item.

Amendments and Termination

The provision that notice to one accountholder is notice to all, and the provision requiring accountholders to notify the institution of any name or address changes have been removed from this section and moved to a new "NOTICES" section.

Notices

The provision that notice to one accountholder is notice to all, and the provision requiring accountholders to notify the institution of any name or address changes have been moved to this section instead of "AMENDMENTS AND TERMINATION". Provisions have also been added that (1) notice to the institution is effective when it is actually received and it must be received in time for the institution to have a reasonable opportunity to act on it, and (2) notice to the member is effective when it is mailed.

Statements

Text has been added that the member must examine items for unauthorized or missing endorsements. This requirement is found in UCC 4-406, which has been adopted by Iowa

Right to Repayment of Indebtedness

The text “to the extent of the person or entity’s right of withdrawal” has been removed; it is unnecessary since the Terms & Conditions do not establish any limits on the right to withdraw.

The following provision has been revised to increase clarification.

Current text: If the debt arises from a note, “any due and payable debt” includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance the due date for which we properly accelerate under the note.

New text: If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

A provision has been added concerning the right of set-off for partner and partnership accounts and clarified the right of set-off for joint accounts and joint accountholder accounts.

A provision has been added to specifically clarify that the right of set-off does not apply if it is prohibited by the Military Lending Act.

Restrictive Legends

This provision has been expanded to also apply to restrictive endorsements and an example of a restrictive endorsement will be provided.

Check Processing

The following provision has been revised to increase clarification.

Current Text: You agree that we have not failed to exercise ordinary care solely because we use our automated system to process items and do not inspect all items processed in such a manner.

New Text: You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item.

A provision has been added that the institution can properly pay an item payable to multiple payees unless the accountholder gives the institution notice in writing that multiple endorsements are required.

A provision has been added that CCCU is not responsible if an unauthorized signature or alteration that would not be identified by a reasonable inspection of the item.

Death or Incompetence

The text “legally incompetent” will be replaced with “adjudication of incompetence”.

Fiduciary Accounts

This section has been expanded to clarify that CCCU is not responsible for the actions of the fiduciary, including the misuse of funds.

Security

This section now includes a reference to the use of an account number to issue a fraudulent electronic debit, which is a common example of fraud. The reference to a remotely created check by a telemarketer has been removed.

The paragraph regarding commercially reasonable security procedures has been clarified that it does not apply if Regulation E applies. If CCCU offers a commercially reasonable security procedure and the member selects another security procedure, the member is responsible for any payment order accepted pursuant to that security procedure whether it is authorized or not.

Waiver of Notices

An example of a notice of nonpayment has been added, and the provision specifies that the waiver does not apply if the notice is required by Regulation CC.

ACH and Wire Transfers

A statement that credit entries can be made by ACH has been added.

Remotely Created Checks

The reference to a remotely created check by a telemarketer has been deleted.

Terms and Conditions Revised (full section provided)

Unclaimed Property

The law establishes procedures under which unclaimed property must be surrendered to the state. (We may have our own rules regarding dormant accounts, and if we charge a fee for dormant accounts it will be disclosed to you elsewhere.) Generally, the funds in your account are considered unclaimed if you have not had any activity or communication with us regarding your account over a period of years. Ask us if you want further information about the period of time or type of activity that will prevent your account from being unclaimed. If your funds are surrendered to the state, you may be able to reclaim them, but your claim must be presented to the state. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds. If your accounts are closed and the net balance of the account is below that par value share, the amount will not be returned to you.

Address or Name Changes

You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us.

Multiple Signatures, Electronic Check Conversion and Similar Transactions

We are not required to comply with any multiple signature requirement, either on personal or business accounts, even if your signature card specifies that multiple signatures are required or you have otherwise instructed to do so. A multiple signature requirement is for your internal control purposes only. An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on the item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

Business, Organization and Association Accounts

Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

Stop Payments

Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because stop-payment orders are handled by computers, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. Stop payment will remain in place permanently unless specifically informed by the member that they are to be revoked at a documented date. You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was verbal your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item.

NOTICE OF CHANGE IN TERMS – TERMS & CONDITIONS DISCLOSURE (con't)

You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order. Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

NOTICE OF CHANGE IN TERMS – TRUTH IN SAVINGS DISCLOSURE

The following items are changing on the Truth in Savings Disclosure

Share Savings Account

- The Compounding and Crediting section is amended as:
 - "Dividends will be compounded every quarter."
 - "Dividends will be credited to your account every quarter."
- The Transaction Limitations section is amended as:
 - "During any 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 preauthorized or automatic transfer, computer transfer, telephonic order or instruction, or overdraft protection transfer or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union."

Savings Ltd. Account

- The Compounding and Crediting section is amended as:
 - "Dividends will be compounded every quarter."
 - "Dividends will be credited to your account every quarter."

Share Savings Account

- The Compounding and Crediting section is amended as:
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Kirby Kangaroo® Club Account

- The Compounding and Crediting section is amended as:
 - "Dividends will be compounded every quarter."
 - "Dividends will be credited to your account every quarter."
- The Transaction Limitations section is amended as:
 - "During any 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 preauthorized or automatic transfer, computer transfer, telephonic order or instruction, or overdraft protection transfer or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union."
- The Additional Terms section is amended as:
 - "This account will automatically convert to our STAR/Teen Account upon the member reaching the age of 13."

STAR Account

- The Compounding and Crediting section is amended as:
 - "Dividends will be compounded every quarter."
 - "Dividends will be credited to your account every quarter."
- The Transaction Limitations section is amended as:
 - "During any 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 preauthorized or automatic transfer, computer transfer, telephonic order or instruction, or overdraft protection transfer or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union."
- The Additional Terms section is amended as:
 - "This account will automatically convert to our Savings Ltd. Account upon the member reaching the age of 24."

Christmas Club Account

- The Compounding and Crediting section is amended as:
 - "Dividends will be compounded every quarter."
 - "Dividends will be credited to your account every quarter."

Vacation/Thrift Account

- The Compounding and Crediting section is amended as:
 - "Dividends will be compounded every quarter."
 - "Dividends will be credited to your account every quarter."
- The Transaction Limitations section is amended as:
 - "During any 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 preauthorized or automatic transfer, computer transfer, telephonic order or instruction, or overdraft protection transfer or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union."

Fortune 50 Club Account

- The Compounding and Crediting section is amended as:
 - "Dividends will be compounded every quarter."
 - "Dividends will be credited to your account every quarter."

Take2 Checking Account

- The Transaction Limitations section is amended as:
 - "The following sentence is removed: "You will be issued a Debit/ATM card with this account and checks to draw on this account."

NOTICE OF CHANGE IN TERMS – FUNDS AVAILABILITY DISCLOSURE

The following items are changing on the Funds Availability disclosure:

- The Your Ability to Withdraw Funds section is amended as:
 - "This policy statement applies to all transaction accounts."
- The Special Rules for New Accounts section is amended as:
 - "Funds from all other check deposits will generally be available no later than the fourteenth business day after the day of your deposit."