

## **SHARE CERTIFICATE AGREEMENT**

Dear Credit Union Member,

These rules and regulations will govern your Share Certificate Account with Municipal Credit Union (the “Credit Union”). Please read these rules and regulations carefully. If you have any questions about these rules and regulations, please call us.

In addition to these rules and regulations, your account 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 SHARE CERTIFICATE ACCOUNTS**

**WITHDRAWALS** - While withdrawals before the maturity date can be made only with the consent of Municipal Credit Union (the “Credit Union”), it has been the past policy of the Credit Union to allow withdrawals of both principal and accrued dividends prior to maturity, subject to the terms, conditions and penalty provisions set forth in this Agreement. The Credit Union reserves the right to require 30 days’ advance written notice of any intended withdrawal. If a withdrawal of principal (including dividends earned during previous terms(s)) is made before maturity, the entire amount in your account must be withdrawn and the account will close (except with regard to post age 591/2 withdrawals made from IRA Share Certificate Accounts). Additionally, the Credit Union may refuse to permit withdrawal 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 the applicable Municipal Credit Union Funds Availability schedule; (b) there exists a dispute about the account; (c) the funds sought to be withdrawn are pledged as collateral for a debt; (d) the withdrawal consists of money the Credit Union has credited towards an overdue debt you owe to it; (e) the funds sought to be withdrawn have been ordered restrained or transferred to a credit or other than the Credit Union, and (f) proper documents or other identification have not been presented.

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

**JOINT ACCOUNTS** – If this account is a joint account, (not available for IRA and Secured VISA Card Share Certificate Accounts), you authorize the Credit Union to recognize any of the signatures subscribed on the Share Certificate Application in the payment of funds or the transaction of any business for this account. The joint owners of

this account hereby agree with each other and with the Credit Union that all sums now deposited on shares, or heretofore or hereafter deposited in on shares, by any or all of the said joint owners to their credit as joint owners with all accumulations thereon, are and shall be owned by them jointly, with right of survivorship and be subject to the withdrawal or receipt of any of them. Payment to any of them or the survivor or survivors shall be valid and discharge the Credit Union from any liability for such payment.

**“IN TRUST FOR” ACCOUNTS** – If this account is an account held in trust (not available for IRA and Share Certificate Accounts for which beneficiaries may be designated in a separate IRA Trust Agreement), it is understood and agreed that this is a voluntary and revocable trust and that upon your death the Credit Union may make payment or otherwise recognize or deal with the beneficiary(ies) you have named on the Share Certificate Application as the sole owner of this account. Until your death, the Credit Union will maintain this account in your ownership alone, and the amount at any time on deposit in this account shall be for your exclusive use and not for the use of any beneficiary of the trust. You agree that any receipt made by yourself or by the beneficiary, when any payment is made by the Credit Union from the account, shall be a complete release of all claims and liability to the Credit Union.

**CUSTODIAL (UNIFORM TRANSFERS TO MINORS ACT) ACCOUNTS** – The funds in this account are owned by the minor, who receives the funds as a permanent (irrevocable) gift. The account is controlled by a custodian, who manages the account for the minors benefit. The Credit Union will act upon the custodian’s instructions. One custodian and one minor are allowed per account. When the minor turns 21 years of age with regard to accounts established pursuant to N.Y. Uniform Transfers to Minors Act “UTMA”, the monies in this account must be transferred to the minor. Share Certificate Accounts pledged as security for installment loans may not be established custodial (UTMA) accounts.

**ABANDONED ACCOUNTS** – If this account becomes abandoned, the funds in the account 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 five (5) consecutive years. Your account will be considered inactive unless you do one of the following: (a) deposit or withdraw funds; (b) submit something in writing showing us you are aware of the account.

**WITHDRAWAL PENALTIES** – Only dividends paid during the account term may be withdrawn without penalty. If a withdrawal of principal (including dividends earned during previous term(s)) takes places before maturity, an amount equal to 90 days’ dividends on the amount of principal withdrawn (calculated using the dividend rate then in effect on the account) must be forfeited. This penalty may result in the loss of principal. This penalty may not be applied if the individual in whose name the account was opened dies or is declared legally incompetent.

**NOTICE OF MATURITY AND RENEWALS** – The account will mature on the date disclosed on the screen. A notice reminding you of when the account will mature will be mailed to you at least twenty (20) calendar days prior to the maturity date. Whether or not you receive such notice, the account will automatically renew at maturity. The account will be renewed at maturity, unless you give the Credit Union other written instructions prior to or within ten (10) calendar days after maturity. The account will be renewed automatically each time it matures for the same term as the existing account term (for accounts with terms of 36 months or less) or for a term of 36 months (for accounts with terms greater than 36 months). When it renews, the funds will earn the annual dividend rate and annual percentage yield in effect on the date of renewal and the account will be subject to the then applicable terms and conditions for such accounts. If you choose not to have the account automatically renew upon maturity, you must instruct the Credit Union in writing as to how you wish to have the funds handled.

**RIGHT OF SETOFF** – Except with regard to Individual Retirement Accounts, the Credit Union has right of setoff. This means the Credit Union may set off against your non-IRA share certificate account any liabilities or obligations owed by you to the Credit Union, except as prohibited by law or specifically disclaimed loan agreement.

**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 REGULAR SHARE CERTIFICATE ACCOUNTS**

**DEPOSITS** – The minimum balance required to open and maintain this account is \$500.00 (\$250.00 for 18-month fixed rate accounts). Thereafter, except with regard to 18-month Fixed-Rate Regular Share Certificate Accounts (see below), you may make no additional deposits to this account prior to the maturity of the certificate. Instead, new accounts may be opened to make additional deposits.

**ACCOUNTS PLEDGED AS SECURITY FOR INSTALLMENT LOANS** – If a share certificate account is pledged as security for an installment loan, withdrawals of principal before the maturity date can be made only with the consent of the Credit Union. If the Credit Union consents to a withdrawal, the Credit Union will first apply the amount on deposit in the share certificate account towards the payment of all amounts you owe on the installment loan account, including interest, fees and costs, and collect any applicable early withdrawal penalty, before paying out any excess proceeds to you. No partial withdrawals from this account are permitted (except with regard to currently earned dividends, which may be automatically paid to another eligible account, if you so elect). If you elect not to renew this account while a balance is still outstanding on the installment loan, or if you become delinquent or default on the installment loan at any time, the Credit Union may apply the balance on deposit in this account towards the payment of all amounts you owe, including interest, costs and fees, on the installment

loan, and collect any applicable early withdrawal penalty, before crediting the excess to your Share account.

## **ADDITIONAL RULES FOR 18-MONTH FIXED-RATE REGULAR SHARE CERTIFICATE ACCOUNTS**

**DEPOSITS** – With regard to 18-month Fixed-Rate Regular Share Certificate accounts, you may make additional deposits during the term of the account without effect on the date of maturity of the account. However, additional deposits to these accounts may only be made by electronic fund transfer or automatic payroll deduction in amounts totaling at least \$50.00 per month.

**TRUTH-IN-SAVINGS DISCLOSURE** – I have been notified that the Rate, Annual Percentage Yield (APY) and Maturity Date will be the Rate, Annual Percentage Yield (APY) and Maturity Date displayed on the screen.

## **REGULAR SHARE CERTIFICATE ACCOUNTS**

**Rate Information** – You will be paid the disclosed rate until maturity.

**Compounding and Crediting** – Dividends will be compounded monthly and will be credited on the monthly anniversary date of the opening of your account. If such date is a Saturday, Sunday or legal holiday, it will be credited on the next succeeding business day. The dividend period is monthly beginning on the date your account is opened and ending on the day prior to the monthly anniversary date of such opening. For example, if you opened a certificate account on January 15, the beginning date of the first dividend period is January 15 and the ending date of such dividend period is February 14. All other dividend periods follow the same pattern of dates.

**Minimum Balance Requirements** – The minimum balance required to open and maintain this account is \$500.00 (\$250.00) for 18-month fixed-rate accounts).

**Balance Computation Method** – Dividends are calculated by the daily balance method which applies a daily period's rate to the principal in your account each day.

**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** – Except with regard to 18-month fixed rate accounts, after the account is opened, you may not make deposits into the account until the maturity date stated on the certificate. With regard to 18-month fixed rate accounts, you may make additional deposits, but any additional deposits must be made by electronic funds transfer or automatic payroll deduction in amounts totaling at least \$50.00 per month. You may not make any withdrawals of principal from your account before maturity unless we agree at the time you request the withdrawal. We may impose a penalty if we grant your request.

**Early Withdrawal Penalty** – 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 90 days dividends on the principal amount withdrawn.

**Renewal Policies** – Your certificate will automatically renew at maturity. You will have a grace period of 10 calendar days after the maturity date to withdraw the funds in the account without being charged an early withdrawal penalty.