

## **BUILDING TRADES FEDERAL CREDIT UNION**

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# **ACCOUNT AGREEMENT & DISCLOSURE - PERSONAL ACCOUNTS**

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The purpose of this document is to establish and disclose the terms and conditions of various accounts and service offered by Building Trades Federal Credit Union (BTCU). Please read this carefully and keep for future reference. If you have any questions about any of the information in this Agreement, please call us at 763-315-3888.

In this Agreement, the words "you" and "your" refer to the owner and, where applicable, each joint-owner of an account; in the words "we," "us," "our," means Building Trades Federal Credit Union (BTCU).

We may amend the Agreement at any time. Notice of the changes may be provided by means we consider appropriate. Except where a law/regulation requires notice by some other means, we may provide notice of change by posting the changes in our offices, enclosing a notice in an account statement, or by mailing a notice to you at the address we have on record.

## **AGREEMENT**

This Agreement sets forth the terms and conditions applicable to your accounts. Your accounts are subject to our Bylaws and also subject to any additional disclosures we may provide at the time you open your account. It includes your promise to pay charges or fees and your permission for us to deduct charges and fees directly from your account balance. This Agreement adheres to Clearinghouse Rules and State and Federal Laws, including the Uniform Commercial Code. All accounts with us are subject to the laws regulating transfers at death and estate and other succession laws. You also agree to all terms, whether posted in our offices, printed on deposit slips, contained in this Agreement or enclosed with your statements.

## **MEMBERSHIP ELIGIBILITY**

To join the Credit Union, you must meet the membership eligibility requirements as set forth in our Charter including the purchase and maintenance of at least one share (\$25 in a Labor Saver account) as provided in our Bylaws. You will authorize us to check your accounts, credit, and employment history and obtain information from third parties, including credit-reporting agencies to verify your eligibility for the accounts and services you request. If you do not maintain at least one share on deposit with us, your account will be subject to closure, even if fees charged by us cause your account to have less than one share on deposit, and you will not be eligible for services as long as the balance remains below \$25. No member may withdraw shareholdings that are pledged as security for loans without the written approval of the credit manager, except to the extent that such shares exceed the member's total primary and contingent liability to the Credit Union.

## **IMPORTANT INFORMATION - PROCEDURES FOR OPENING A NEW ACCOUNT**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, residence address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying objects. In addition, third party verification sources, such as a credit bureau, will be utilized in an attempt to verify your identity.

## **NOTICE OF NEGATIVE INFORMATION**

As required by Federal Law, this is notice to you that we may furnish any "negative information" regarding your accounts to a nationwide consumer-reporting agency. "Negative information" means information concerning delinquencies, late payments, insolvency, or any form of default. This notice does not mean that we will be reporting such information about you, only that we may report such information about members who have not done what they are required to do under the Agreement.

## **NATIONAL CREDIT UNION SHARE INSURANCE FUND**

Member accounts in the Credit Union are federally insured by the National Credit Union Share Insurance Fund. For more information please refer to "Your Insured Funds" brochure.

## **ACCOUNT OWNERSHIP**

### **INDIVIDUAL ACCOUNTS**

If you open an account by yourself, it is called an individual account. You are the only person who may use the account.

### **JOINT ACCOUNTS**

If you designate a joint tenant on an account, this designation applies to all funds excluding an initial \$25 membership in a primary share account. If there is more than one authorized signer on this account, all monies credited to it, including dividends, shall be the property of the signers as joint tenants, and not as tenants in common. You each authorize us to pay any and all funds deposited without reference to the original ownership of the funds so deposited. Withdrawals may be made by any of you, and in the case of death, funds may be withdrawn by the survivor(s) or personal representative(s) of the survivor(s). If two or more survive, you intend and agree that you hold the balance in the account as joint tenants with survivorship and not as tenants in common. If the survivor(s) are not eligible for membership at BTCU, the account will be closed. When we receive notice of

death or incompetence of any one of you we may, but are not obligated to, restrict or prohibit further withdrawals until we are satisfied that our obligations under the law and this Agreement have been met. Instructions to remove one of the joint owners from the account or to restrict its use by any one of the joint owners may only be made by the person whose name is to be removed or whose use of the account is to be restricted. The primary member may remove the other joint owner if the primary member agrees to indemnify us for any claims on account of such action. We may close the account on the instructions of any one of the joint owners or any one joint owner's legal representative without the joint owner's consent. In the event of set-off, the enforcement of a security interest, or legal action including levy, garnishment or seizure affecting any owner, we may treat all funds in the account as belonging to the affected owner. Unless otherwise expressly agreed in writing, each joint tenant shall have access to any line-of-credit loan attached to an account or overdraft protection and each tenant will be liable to the BTCU, regardless of which tenant causes access to the line-of-credit. If at any time, BTCU has notice of an action of law, commenced or pending between account owners, BTCU may refuse withdrawals by any of you except upon a court order.

## **MINOR ACCOUNTS**

Accounts may be opened in the name of a minor. A guardian or parent must provide the required taxpayer identification certification. BTCU may require accounts to be a joint with an owner who has reached the age of majority and who is jointly and severally liable. BTCU may pay funds directly to the minor without regard to his/her minority. A guardian or parent will only have account access if they are joint owner on the account.

## **PAYABLE ON DEATH (POD) BENEFICIARY DESIGNATIONS**

Payable on Death beneficiaries may be designated on individual and joint accounts. The person(s) designated as a beneficiary has no rights (access or control) to the account during the life of the member and all joint tenants. Beneficiary designations may be deleted or changed by the member anytime during the lifetime by making such request to BTCU on an acceptable form. If there are multiple named beneficiaries, upon the death of the last surviving owner, the funds will be distributed equally to each named beneficiary as a tenants in common and not as a joint tenants.

## **POWER OF ATTORNEY**

You may appoint another person to act as your attorney-in-fact or agent in connection with your account as long as it is in a form acceptable to us. We may act on the authority until we receive written notification of its revocation. A power of attorney given by any joint tenant on an account shall be effective despite the objection of another joint tenant(s) on the same account.

## **IRA ACCOUNTS**

IRA accounts are established by completing a separate IRA Agreement. Beneficiary designations are made for funds held in an IRA at the time the account is established and may be changed at any time by completing an IRA Change of Beneficiary form. Joint tenants are not allowed on IRA accounts. IRA funds may be placed in an IRA share account or in an IRA certificate. IRA funds are separately insured by the NCUA up to \$250,000.00.

## **GENERAL ACCOUNT TERMS**

### **DEPOSITS**

Deposits to accounts will be accepted in cash, electronic means or instruments collectable through the Federal Reserve Bank System. If you deposit any transaction item we will give your account provisional credit until collection is final. If a deposit item is not paid, we will reduce your account balance by this amount. In this case, we may charge a fee for a "return deposit item." Other negotiable instruments, foreign checks and drafts may be accepted for collection. The maximum amount of shares which may be held by any one member is established from time to time by resolution of the Board of Directors.

### **SIGNATURES AND ENDORSEMENTS**

You will agree to sign as your signature appears on the membership application/signature card when drawing checks or other items. If, in good faith, we believe your signature is not genuine, we will refuse to pay any check drawn on your account. We may also refuse to honor any check that is not on a form acceptable to us.

### **WITHDRAWALS AND TRANSFERS**

Withdrawals and transfers have to be by written paper or such other means as approved by BTCU. We will subtract withdrawals from collected funds first. We may at any time refuse any withdrawal request against uncollected funds, even if our general practice is to the contrary. We reserve the right to refuse any withdrawal or transfer request which is for an amount less than any minimum withdrawal or which exceeds any frequency limitation. Repeated abuse of the stated limitations (if any) may force us to close this account. We will use the date the transaction is completed by us (as opposed to the day you initiate it) to apply any frequency limitations.

### **NOTICE OF RECEIPT OF ACH ITEMS**

Under the operating rules of the National Automated Clearing House Association which are applicable to ACH transactions involving your account and as permitted by law. We are not required to give you next day notice of receipt of an ACH item, and we will not do so. We will continue to notify you of the receipt of payments in the periodic statements we provide to you.

## **PROVISIONAL PAYMENT**

Credits given by us to you with respect to an Automated Clearing House credit entries subject to Article 4A of the Uniform Commercial Code (UCC-4A), are provisional until we have received final settlement through a Federal Reserve Bank, or otherwise received payments as provided in Article 4A-403(a) of UCC-4A. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you by such entry shall (i.e. the Originator of the entry) shall not be deemed to have paid you the amount of such entry.

## **CHOICE OF LAW**

We may accept payments on your behalf for your account which have been transmitted through one or more Automated Clearing Houses ("ACH") and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of Minnesota, unless it has otherwise specified in a separate agreement that the law of some other state shall govern.

## **RELIANCE ON IDENTIFICATION NUMBERS**

In acting upon funds transfer instructions, most financial institutions rely solely on an identifying number or account number accompanying the payment order to identify the person who is to receive a payment or debit. This means if you instruct BTCU to make a payment to a person and you identify that person by a name and an account number, payment may be made by the person's financial institution on the basis of the identifying or financial institution account number, even if the number identifies a person different than the persons named as the beneficiary in your instructions to us. Additionally, if your payment instructions to BTCU identifies a financial institution that is to participate in the funds transfer both by name and identifying number, any financial institution may rely on the identifying number as proper identification of the financial institution that is to participate in the funds transfer even if it identifies an institution different from the financial institution identified by name. Credit given by us to you with respect to an automated clearing house credit entry is provisional until we receive final settlement for such entry through the Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e., the originator of the entry shall not be deemed to have paid you in the amount of such entry). Under the Operating Rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account, we are not required to give next day notice to you of receipt of an ACH item and we will not do so. However, we will continue to notify you of the receipt of payment in your periodic statements. We may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses (ACH) and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of Minnesota as provided by the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account.

## **FEES AND CHARGES**

It is your responsibility to have sufficient collected funds in the account to cover any fees or charges that are imposed. Fees or charges, if any, will be taken from any account in which you have ownership interest when they are due. We will not be liable for refusing to pay items presented if, at any time, service charges leave insufficient collected funds in your account. Please refer to the current fee schedule for a list of fees that may be charged to your account.

## **TAX IDENTIFICATION NUMBER (TIN) AND BACKUP WITHHOLDING**

Regulations require BTCU to obtain completed and signed certifications identifying the correct social security number, employer identification number or tax identification number for the account. If you fail to furnish a certification or the correct identification number, BTCU must withhold a percentage of taxable interest, dividend, and certain other payments as part of its backup withholding requirements.

## **INSUFFICIENT FUNDS, OVERDRAFTS & RETURN ITEMS**

The law permits us to pay items drawn on your account in any order. Any decision on our part to pay overdrafts (an item whose payment would result in the account having a negative balance whether created by checks, in-person withdrawals, ATM withdrawals, or by other electronic means) does not create an obligation to pay other overdrafts, no matter how consistently we may have paid them, nor to provide notice when our practice in this regard changes. Any overdraft amounts, however created, are due and payable at once. We may impose overdraft and return check charges which, together with any expenses we incur in collecting the overdraft amounts (including court costs and reasonable attorneys' fees), are also due and payable when imposed or incurred. You authorize us to exercise our discretion in resubmitting for payment any item which was returned unpaid or dishonored on first presentment, without prior notice to you. You have automatic overdraft protection from your share savings account and any line-of-credit loan attached to your checking account unless you declined. Overdraft protection may also be arranged from other accounts. We may charge a service fee as set forth in our current fee schedule for overdraft transfers from your savings account.

## **POSTDATED, STALE-DATED & CONDITIONAL CHECKS**

We will not be responsible for any losses or cost you incur as a result of the payment by us of any check more than six months old, the payment of any check before the date written on the face of it by you or payment by us of any check which contains any extraneous legends, for example "void after 60 days".

## **CHECK PRINTING REQUIREMENTS**

Only approved checking forms and other methods approved by the Credit Union may be used to withdraw funds from an account. We may, at our option, pay any item whether or not the item is properly encoded. BTCU shall have no responsibility to stop payment on a check or other item not conforming to our printing and encoding standards.

## **STOP PAYMENTS**

Any authorized signer may stop payment on any check drawn on the account whether they signed the item or not. BTCU must receive your request at a time and in a manner which allows us a reasonable opportunity to act. An oral order is valid for 14 calendar days unless it is confirmed or revoked in writing within that time period. A written order is valid for six months. Your written order to stop payment must contain your name and account number, the name to which the check is made out (payee), and the number and exact amount of the check. Failure to provide us with the correct information regarding the check(s) may result in the stop payment order being rejected. You may renew your order in writing every six months. We may pay your check after your stop payment order has expired, even though the checks are more than six months old. You understand that, as a rule, we will not stop payment on cashier's checks. If we agree to stop payment, we may require that you indemnify us. A stop payment may only be removed by the person that placed the stop payment on the account.

## **WARRANTIES, CLAIMS, RECLAMATION AND SETOFF**

You make the following warranties to BTCU concerning each item you deposit or which we cash for you or give other consideration: all necessary signatures and endorsements have been placed on the item and are genuine, the item has not been materially altered and you have good title to it, and no defense of any party to the item is good against you. If any such warranty is breached, we may deduct the amount of the item plus expenses from any of your accounts or otherwise collect from you. If a claim is made against us, or when we receive notice of a potential claim, involving a breach of any such warranty, we may withhold from any of your accounts the amount in dispute plus fees until the claim is resolved. The claim will be considered valid unless you give us written notice contesting the claim within 10 days after we notify you. On request, you will promptly furnish an affidavit stating your factual basis for contesting the claim. You also will defend and indemnify us from all liability and losses we may incur by not honoring a disputed claim. Garnishments or levies received by us may be subject to our right of setoff. If we receive a garnishment or levy, we may refuse to permit any withdrawals (up to the disputed amount) until the dispute is resolved. In connection with a direct deposit plan, if we deposit any amount in any of your accounts with us which should have been refunded to the federal government for any reason, you authorize us to deduct the amount of our liability to the federal government from any account you have with us without prior notice, and at any time, except as prohibited by law. We may use any other legal remedy to recover the amount of our liability.

## **CLOSING ACCOUNTS**

Closing the primary share account terminates membership. Any account may be closed by either you or us at any time. We will notify you in writing if we close your account. Your account will be closed as of the date the notice of closure was mailed. After your account is closed, we will not have any obligation to accept deposits or pay any outstanding checks. When your account is closed you agree to destroy all unused checks. Your primary share savings account balance may be reduced below the \$25 share par requirement through the assessment of fees, late charges, or a statutory lien. If the account is not brought back to the par within 6 months, membership will be terminated. BTCU may also close your account and terminate your membership (or close any certificate or account) after your account is opened if we are unable to verify your membership eligibility, if you fail to provide required identifying information for all signers, or if we are unable to verify the identity of any account signer.

## **CLOSING/FREEZING AN ACCOUNT**

We may, in our sole discretion, close your account at any time. If the account is closed, we will send the balance deposit in your account by ordinary mail to the most recent address in our records. Before we close your account, we will give you any notice required by law. If we suspect any unlawful or unauthorized activity involving your account, we may place a hold ("freeze") on the account or any other accounts you maintain with us pending an investigation of the suspected activities. If we freeze your account, we will give you any notice required by law. After your account is closed, we will not have any obligation to accept deposits or pay any outstanding checks. When your account is closed, you agree to destroy all unused checks.

## **ABANDONED ACCOUNT**

If a deposit or withdrawal has not been made on your account and we have no other contact with you as required by state law and within the period specified by state law, your account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted to the state of Minnesota in accordance with state law. Once funds have been turned over to the state, we will have no further liability to you for such funds, and if you choose to reclaim such funds, you must apply to the appropriate state agency.

## **INACTIVE/DORMANT ACCOUNTS**

If your account falls below any applicable minimum balance, you have not made any transactions for at least 15 months, or if we have been unable to contact you by regular mail, we may classify your account as inactive or dormant. We may charge a service fee as set forth in our current fee schedule for processing your account.

## **ACCOUNT STATEMENT AND CHANGE OF ADDRESS**

Statements and other information regarding your accounts will be mailed to you at the last address you have given us. It is your responsibility to keep BTCU informed about your current address. Your account may be charged a returned statement fee (as noted in our fee schedule) if your statements and other notices are returned undeliverable. We may charge a fee as set forth in our current fee schedule for paper statements. All accounts will receive a statement at least quarterly. Monthly statements will be sent to accounts with electronic funds transfers or a loan. You must review your statement promptly to determine if there are any errors, alterations or unauthorized transactions. In all cases, you must report any such information to us within 60 days after the statement is made available to you. If you do not report this information to us within that time, you give up your right to contest the payment of any items reported in your statement and you accept the reported charges and account balances as being correct.

## **INVALID ADDRESS**

If mail is returned undeliverable, we may charge a returned statement fee as set forth in our current fee schedule.

## **GOVERNING LAW, WAIVER AND VENUE**

Your account is governed by law. Your account is subject to all applicable rules and customs of any clearing house or other association involved in the account transactions. Changes in these laws and regulations may modify the terms and conditions of the account. We do not have to notify you of these changes. We do not give up any rights we have under this Agreement by delaying or failing to exercise them. If any part of this Agreement is found by a court to be unenforceable, the remaining parts will still be in effect. You hereby waive the right to a jury trial in dispute concerning your accounts. You agree that any lawsuit concerning your account will be brought in the county in which we have our main office.

## **RIGHT TO REPAYMENT OF INDEBTEDNESS**

You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or entity's right to withdraw. 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 charge the account, including any balance on the due date for which we properly accelerate under the note. In addition to these contract rights, we may also have rights under a "statutory lien". A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply without prior notice, your shares and dividend to any debt you owe us, in accordance with the statutory lien. Neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an IRA or similar tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest,) or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

## **INDEMNIFICATION OF THE CREDIT UNION**

Indemnification of BTCU shall come from the member or any account joint tenant. The member or joint tenant signing the membership application shall indemnify (repay) BTCU for any loss incurred in conjunction with an account. This indemnification does not prohibit BTCU from seeking recovery of a loss from any other party to the loss, regardless if they are or are not signers or authorized users.

## **LEGAL USE OF ACCOUNTS AND SERVICES**

Any financial service provided by BTCU may be used for any transaction permitted by law. You agree that illegal use of any financial service will be deemed an action of default and/or breach of contract and such service and/or other related services may be terminated at BTCU's discretion. You further agree, should illegal use occur, to waive the right to sue BTCU for such illegal activity directly or indirectly related to it and hold BTCU harmless from any suits or other legal action or liability, directly or indirectly, resulting from such illegal use. You agree not to use the account for gambling or for proceeds generated from gambling.

## **MODIFICATION OF THE DISCLOSURE**

BTCU may find it necessary to change any of the terms or conditions set forth in this disclosure, the fee schedule, and any other disclosure you may have received at the time you opened your account. We will mail or deliver written notice of that change at least 30 calendar days before the change is to become effective. Notice of all other changes may be given by posting the changes in our lobbies, offices, enclosing a notice in your account statement or by mailing a notice to you at the address we have on record. If any parts of these disclosures are found to be invalid, it shall not affect the validity of any other part of this Agreement.