

Important Information About Changes to Deposit Account Contracts

Changes Are Effective December 1, 2010



Molokai Community Federal Credit Union

135 Puuli Place • Kaunakakai, HI 96748
Ph: 808-553-5328 TF: 877-727-5328
www.molokaicommunityfcu.com

As we strive to provide our members with the best deposit account products and services at Molokai Community Federal Credit Union, we are making a number of important changes to our Deposit Account Contract-Part 2 and Business Deposit Account Contract-Part 2 (Contracts). We are offering you a number of new account products and services, such as accounts for your businesses and trusts, and placing agents on your accounts. We have also revised the Contracts to more fully and clearly outline the terms of membership, account ownership and services used by each member to make the Contracts more user-friendly and to fairly apportion responsibilities for the benefit of all members. These changes will help us provide you with the best account products and services possible, in the most cost effective manner. This enhances the value of membership for all members of our credit union.

The following is a summary of the key important changes to our Deposit Account Contract-Part 2 and Business Deposit Account Contract-Part 2 (Contracts) that you should be aware of, with provision referral numbers where you may read each specific provision (if different, the Business Deposit Account Contract-Part 2 is the second set of referral numbers). These changes are effective December 1, 2010. You can obtain a complete copy of the new Contracts from us at any time on our website at www.molokaicommunityfcu.com, or by contacting us and having us e-mail or mail you the new Contracts.

Please read and keep a copy of your new Contracts so that you can refer to them anytime about matters that affect your membership, an account, or a service. Should you have questions or need an explanation about any matter addressed in the new Contracts (Part 2s), please contact us at 808-553-5328 or toll-free at 877-727-5328 during business hours and we will be happy to answer your questions.

Summary of Important Changes to the New Deposit Account Contracts

- For all your accounts and account related services at Molokai Community Federal Credit Union, we will rely exclusively on the terms of the Contract. See *Provision 1.a.*
- Our contract is in English. Should you have difficulties reading and/or understanding it, please contact us or your family and/or friends for assistance. See *Provision 1.b.*
- To reduce expenses for the benefit of all members, we will image your Deposit Account Contract-Part 1 (the signature page). You may obtain a copy of that image from us at anytime during business hours. See *Provision 1.d.*
- As of December, the ownership and/or survivorship features of your savings account will apply to all your other accounts opened (or added) under that account number. If you want an account with different ownership or survivorship features please tell us and we'll assist you obtain an additional account number for the account(s). See *Provision 1.d.*
- For your convenience and protection we will retain an image of your ID to authenticate matters related to your account or services. See *Provision 3.b.*
- Upon application for membership, an account or a service, we review account, employment and credit history, including reports from third parties and credit reporting agencies. See *Provision 3.c.*
- When entitled to funds, multiple beneficiaries or POD payees on accounts receive an equal share of the funds in an account, and own the funds without right of survivorship. See *Provision 4.a. and b.*

- Surviving owners on a multiple owner account own funds in the account. See *Provision 4.b.*
- On multiple owner accounts, any owner alone may open, initiate, change, add, close or terminate the account and services except for adding or removing an owner. See *Provision 4.b.*
- All funds in an account may be used to satisfy any owner's or authorized person's obligation to us. See *Provisions 4.b., 18 and 21.* See *Provisions 19. and 22.*
- In fairness to all members, should a document presented by you or on your behalf need to be reviewed for your account, you are responsible for the costs and expenses of that review. See *Provisions 4.f.ii., g., h., 20., 20.a, and 27.a.* See *Provisions 21.a. and 28.*
- On savings/share accounts you are limited to six (6) preauthorized, automatic, telephonic, audio response, or internet transfers to another of your accounts each month. See *Provision 5.d.ii.* See *Provision 6.d.ii.*
- In fairness to all members, you have thirty (30) days to review your statement and report alterations, forged drawer's signatures and counterfeit checks. See *Provisions 6.a and 15.b.* See *Provisions 7.a. and 16.b.*
- For your protection you agree to use our check forms, or alternatively accept responsibility for losses for not using our forms. See *Provision 6.b.* See *Provision 7.b.*
- In fairness to all members, you agree to be responsible when your family members, friends or employees sign your name on your checks and checks payable to you. or conduct transactions on your account. See *Provisions 6.e., 7.i. and 22.* See *Provisions 7.e., 8.i., and 23.*
- You agree that funds in your accounts will be used to cover your overdrafts and related fees. See *Provision 6.j.*
- For your protection and in fairness to all members, we may require non-members to present ID, provide a thumbprint and/or pay a fee for transactions on your account. See *Provision 6.m.* See *Provision 7.m.*
- For your and our protection checks presented after 2 pm may be paid the next business day. See *Provision 6.m.* See *Provision 7.m.*
- We may charge an hourly research fee to cover the time spent on information requests concerning your accounts or services. See *Provision 12.* See *Provision 13.*
- For your and our protection, you agree to notify us within fourteen (14) days of the time you normally receive your periodic statement if you don't receive your statement. See *Provision 15.a.* See *Provision 16.a.*
- For your protection, in the event there is uncertainty over who can access your account an administrative hold may be placed on your account until the uncertainty is resolved. See *Provision 20.a.* See *Provision 21.a.*
- In fairness to all members, if you cause a loss you are responsible for all costs and expenses related to that loss including attorney fees. See *Provision 21.* See *Provision 22.*
- Should the balance of your account be less than the required minimum it may become inactive and subject to a fee. See *Provision 23.* See *Provision 24.*
- By opening your account and selecting the ownership and survivorship features, you agree those features are accurate and waive the right to make testamentary dispositions from the account. See *Provision 28.* See *Provision 29.*

Download your new Contracts at www.molokaicommunityfcu.com today!
(See New Account Products, Services and Opportunities for Our Members on the other side.)

New Account Products, Services and Opportunities for Our Members

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Molokai Community Federal Credit Union is updating our Deposit Account Contract-Part 2 and Business Deposit Account Contract-Part 2 (Contracts) to provide our members with the best deposit account products and services possible. We can assist you more easily now with accounts for your business, organization and/or your trust, as well as provide you with the opportunity to increase the number of owners or beneficiaries/Payable On Death (POD) payees on your existing accounts. Additionally, we now allow you to place an agent or agents on accounts to help you or a loved one with transactions on accounts, and have expanded the opportunities for you to use our accounts to benefit your children or grandchildren.

The following is a summary of just a few of the many account products and services available to you at the Credit Union that are addressed in our new Contracts. A summary of the key important changes to the Contracts that you should be aware of is on the reverse side of this notice. These changes are effective December 1, 2010. You can obtain a complete copy of the new Contracts from us at any time on our website at www.molokaicommunityfcu.com, or by contacting us and having us e-mail or mail you the new Contracts. Should you have questions or need an explanation about any matter addressed in the new Contracts (Part 2s), please contact us at 808-553-5328 or toll-free at 877-727-5328 during business hours and we will be happy to answer your questions.

New and Expanded Account Opportunities for You at Our Credit Union

Open an Account for Your Trust

You can easily open an account to hold the funds of your trust at the Credit Union. Not only can we provide accounts for your revocable or irrevocable trusts, but if you so desire we can enter the full legal name of the trust into the new Contracts to indicate that the funds in the account are owned by your trust. We can also place your successor trustee or successor trustees on the account, and you as the trustee can conduct transactions on, use, add, change and close the account just as easily as any other account you have at our Credit Union. Visit or contact us anytime during business hours for full details.

Place Agents on Accounts to Help You or Others

If you (or a family member) as an account owner need assistance with account transactions, you can now designate a person or persons to be an agent on the account who will be able to help the account owner conduct transactions. Typically agents are family members (children or siblings), but they can be friends or people appointed under a power of attorney as well. Under the new Contracts, an agent may assist an account owner with transactions on the account, but has no ownership or survivorship rights in the account. This allows the agent to help the account owner but not change the account owner's control over the account. You may now place up to two agents on any or all of your accounts with us, and may add, change or remove agents on your account as the need arises.

Open an Account for Your Business or Organization

If your business or organization qualifies for membership you can open an account for your business or organization as easily as opening your personal accounts at our Credit Union. Simply provide us with the documentation establishing your business and organization (corporation, partnership, sole proprietorship, church, club, association, etc.), and we can help you with accounts and account related services for your business or organization. Should you need to have multiple authorized persons access the account, we can place them on the account as either representatives or signers according to your instructions. You as the representative of the account can conduct transactions on, use, add, change and close the account just as easily as any other account you have at the Credit Union. Visit or contact us anytime during business hours for full details.

Add Beneficiaries/POD Payees to Your Accounts with Ease

Add as many beneficiaries/POD payees as you need to your one owner or multiple owner accounts quickly and easily to help you with your planning. Our new Contracts allow you to add as many beneficiaries/POD payees on your accounts as you wish.

Open Accounts for Your Children or Grandchildren

Parents, grandparents aunts and uncles, you can open and own an account to hold the funds of your children, grandchildren, nieces and nephews with our Uniform Transfers to Minors accounts. The account is a one owner account owned by you as a custodian, in which you as the account owner-custodian hold funds for the exclusive right and benefit of a child. Though dividends/interest paid to the account are/is reported under the child's name and Social Security Number, you as the custodian are the owner of the account on behalf of the child, and are the only person who is entitled to conduct transactions on the account, change, and close the account.

Additionally, you can open accounts with your children, or with your permission and guidance you can encourage your children to open and use accounts and related services at the Credit Union. Visit or contact us anytime during business hours for full details.

Change or Add to Your Accounts with Ease

If you own an account by yourself you may change your account or add an account at any time simply by contacting us and completing a new Contract. If you own an account with another person anyone on the account may change the account or add an account at any time by contacting us and completing a new Contract, with the exception of ownership changes (which require all owners' consent). However, any owner may close an account by contacting us and following our close account procedures.

Call Us with Questions Anytime

At Molokai Community Federal Credit Union we are committed to providing you with the best account products and services possible both now and in the future. Should you have questions or need an explanation about any matter addressed in the new Contracts (Part 2s), please contact us at 808-553-5328 or toll-free at 877-727-5328 during business hours and we will be happy to answer your questions.

Download your new Contracts at www.molokaicommunityfcu.com today!

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