

**Share Draft Overdraft
Transfer Agreement**

I hereby authorize Metropolitan District Employees' Credit Union, Inc. to automatically transfer funds from the following account(s) from which I am entitled to withdraw, in order to pay drafts signed by me exceeding the amount in my share draft account and in order to charge me a service charge for such transfer.

Account Number(s)

Date

Member Signature

Member Signature

Share Draft Account Number: _____

Share Draft Fee Items

Item & Fee

Overdraft of account, with Draft returned.*
\$30.00 each draft

Stop payment order
\$10.00 each stop payment

Microfilm copy of original draft
\$ 5.00 each copy

Transfer from a share account after draft presented for payment.
\$ 2.00 each transfer

Certifying draft
\$ 2.00 each draft

Cost of printed drafts**
Metropolitan District Employees' Credit Union will provide the first 50 drafts to the member free of charge. Subsequent orders of drafts will be billed to the member's share draft account.

Returned item from deposits
\$10.00 each draft

Assistance in balancing account 1st time free.
All subsequent times
\$15.00 per hour.

* Share draft privileges may be denied to any member over-drafting an account three times in a six month period.

** Cost of subsequent printed drafts is determined by the printer. Prices for various styles and quantities can be obtained from the credit union office.

Welcome

to the Metropolitan District Employees' Credit Union share draft program. The following is a brief explanation of how the share draft account works.

The share draft account is a separate account in the credit union structure of accounts. Although the account number on your share draft is the same as your present number, share draft transactions and balances are listed in their category, just as club accounts and IRA accounts are presently listed on the Credit Unions books and members' statements. For this reason, when writing share drafts, you must be sure that there is a sufficient balance in the account to pay the drafts. This package contains a form titled "Share Draft Overdraft Transfer Agreement", which, if signed by the member, allows the credit union to automatically transfer funds from any regular share account in the member's name to the share draft account. If the transfer is made after a draft has been presented for payment, there is a fee. However, there is no charge for transfers made at the request of the member to increase the balance in the share draft account.

Deposits into the share draft account can be made either directly or through payroll deduction. If funding the account through payroll deduction, the member must contact the credit union, advising as to the amount of the total payroll deduction to be allocated to the share draft account. This method is presently being used for members that have multiple accounts under the same account number, such as club accounts and IRA accounts. When contacting the credit union on this issue, be sure that the credit union fully understands how the total weekly payroll deduction is to be allocated.

Share draft accounts do not have any monthly maintenance charges. However, there are several fee items. The fee items are listed on the next page. Members with share draft accounts will be issued monthly statements listing the transactions for that month and the ending monthly balance. Each transaction will list the draft number, amount paid, and date paid. You will not receive the cancelled draft back. For this reason, your supply of drafts contains a copy portion on each draft, which provides for the member having an exact copy of each draft or entering an incorrect amount in the register is eliminated. If, for some reason, a microfilm copy of a draft is absolutely necessary, one can be obtained for a fee.

Thank you for enrolling in this service provided by your **member-owned** credit union.

Share Draft Enrollment Forms

Share Draft Agreement

This is the agreement between the YOU, the member, and the credit union. Please read it carefully. If this is a joint account, both joint owners must sign the agreement and list their social security numbers. (Note): If your present account with the Credit Union is a single account and you want the share draft account to be joint, or if your present account is joint and you want the share draft account as a single, a new account must be established, or the present account changed to agree with the accessing of the share drafts.

Share Draft Overdraft Transfer Agreement

This agreement allows the Credit Union to transfer money from any regular share account in your name into your share draft account to cover a draft for which funds are not in your share draft account. (Check fee schedule as this is a fee item).

Description of the Share Draft Program

This description covers the main points of share drafts.

Fee Schedule

Explains fees for special items.

How to Keep “In Balance”

A short course in balancing your share draft account.

Payroll Deduction Authorization

To change or redistribute your payroll deduction to activate your share draft account.

Return to Credit Union:

Share Draft Agreement (properly signed)

Share Draft Overdraft Transfer Agreement (optional)

Payroll Deduction Authorization

Share Draft Agreement

I/We hereby authorize Metropolitan District Employees' Credit Union, Inc., to establish a special share account to be known as "Share Draft Account." MDECU is authorized to pay share drafts signed by me (or by any of us, if this agreement is signed by more than one person) and charge the payments against the Share Draft Account.

It is agreed that:

- a)** Only share draft blanks and other methods approved by the credit union may be used to withdraw funds from this share draft account;
- b)** MDECU is under no obligation to pay a share draft on which the date is more than six months old. If the member overdrafts the Share Draft Account the member will be notified of the overdraft by MDECU and, at the option of the credit union, be given the choice of (1) promptly depositing into the Share Draft Account an amount equal or greater than the amount of any overdraft, (2) having the share draft returned, (3) having the Credit Union pay the share draft providing the Member has another agreement in force permitting the MDECU to withdraw the amount of the resulting overdraft plus any service charge from (an) other share account(s) from which the Member(s) is/are entitled to withdraw;
- (c)** Member(s) will exercise reasonable care and promptness to examine the periodic statement of account to discover indications of unauthorized or altered drafts and must notify the Credit Union promptly after discovery thereof. If the MDECU establishes that it has suffered a loss because of the failure of Member(s) to reasonably and promptly notify the MDECU of such an unauthorized or altered item, the member(s) shall not be entitled to an adjustment of his/her/their account. If the member(s) fail(s) to notify the Credit Union of any unauthorized or altered draft within fourteen (14) calendar days of receipt of the first statement of account indicating any such unauthorized or altered draft, MDECU shall be relieved of any liability for paying in good faith any drafts drawn or altered by same wrongdoer and presented after such statement of account was available to Subscriber(s) for a period of fourteen (14) calendar days and before the Credit Union received notification from Subscriber(s) of any such unauthorized or altered draft;
- (d)** MDECU shall pay share drafts, if payment is to be made, without any inquiry of the member(s) as to, and without responsibility for, any defense of offsets Subscriber(s) may have against the payee or any subsequent holder;
- (e)** The Member(s) may, by order to MDECU, stop payment of any draft payable for his/her/their account but the order must be received at such time and in such manner as to afford MDECU reasonable opportunity to act on it before the Credit Union's deadline for dishonoring the draft. *An oral stop payment order is binding on the Credit Union for fourteen (14) calendar days, unless confirmed in writing within that*

period. A written order is binding for six (6) months unless renewed in writing;

- (f)** All non-cash payments received on shares in the Shared Draft Account will be credited subject to final payment, may not be drawn against prior thereto, and may be submitted for payment through any correspondent bank or other normal bank clearing channels without liability for errors arising other than through negligence of the Credit Union. All cash and noncash payments received may be credited at any time before midnight of the business day following receipt without any liability for share drafts returned unpaid prior to that time;
- (g)** The Share Draft Account shall be subject to service charges in accordance with the rate schedules adopted by the Credit Union from time to time;
- (h)** The use of the Share Draft Account is subject to such other terms, conditions and requirements as the Credit Union may establish from time to time;
- (i)** If this agreement is signed by more than one person, the Credit Union is authorized to recognize the signature of either member(s) in the payment of funds or the transaction of any business for this account. The Member(s), as joint owners, hereby agree with each other and with MDECU that all sums now paid in on shares, or heretofore or hereafter paid in on shares by any of them 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 by either or any of them, and payment to any of them or the survivor or survivors of any of them shall be valid and discharge MDECU from any liability for such payment. Any or all of said joint owners may pledge all or any part of the shares in this account as collateral security for a loan or loans;
- (j)** The payment of drafts shall be subject to all of the provisions of law and regulations governing the share withdrawals. The Credit Union may at any time invoke the sixty (60) day notice of withdrawal provision of state law and the rules and regulations which may be promulgated there under.

Date _____

Share Draft Account No. _____

Member's Signature

Member's Signature