



FUNDS TRANSFER POLICY

October 22, 2009

Electronic funds transfers are being heavily utilized at all levels of the credit union movement. Members United Corporate Federal Credit Union (Members United) is committed to making every effort to protect our members against fraudulent transfers. One way in which we do this is by constantly reviewing and enhancing our funds transfer policies and security procedures.

For the purpose of these policies and procedures, Members United has defined "funds transfer" as any one of the following transactions: Incoming Wire Transfers, Wire Out Transfers, International Wire Transfers, Western Union Transfers and Member to Member Transfers. These policies and procedures apply to all transactions initiated by a member credit union or credit union service organization (CUSO) over the phone or through Premier View.

Funds transfer transactions should be handled with the utmost care as they represent the immediate transfer of funds. Once a transfer is completed the beneficiary of the transfer has immediate availability of the funds. If funds are transferred in error the sending credit union or CUSO is liable for the funds.

The Members United funds transfer systems within Premier View were designed to provide our members with the ability to control transaction authorities to minimize the risk involved with funds transfer transactions. We recommend that you regularly review the established Premier View authorities for your organization.

TRANSFER REQUESTS

All transfer requests completed on Premier View require dual authorization by the credit union or CUSO unless there is a Transaction Limits and Thresholds Voluntary Election Form on file authorizing Members United to waive the dual authorization requirement.

Transfer requests provided to Members United over the phone require a valid PIN (Personal Identification Number) issued by Members United. PIN owners must have the appropriate authority to request transfers. All funds transfer requests by telephone are recorded on Members United recorded lines.

Members United will not complete any funds transfer request until the credit union's or CUSO's master/cash management account or designated loan account has been debited. In the event there are not sufficient funds or credit available to complete the transfer, the funds transfer request will be put on hold and the sending organization notified.

TRANSFER VERIFICATIONS

A verification callback to the member organization will be performed on all funds transfer requests, including those initiated through Premier View, exceeding a specified dollar limit as established by Members United unless the funds transfer request was initiated using a preauthorized wire template. The verification dollar limit will change from time to time at the discretion of Members United management. In addition, Members United has set random callback functionality to select transfers for random callback regardless of the transfer amount.

If a funds transfer request exceeds Members United's verification dollar limit, Members United will verify the funds transfer instructions with a second individual at the originating organization. This

must be an individual other than the individual who initiated the funds transfer transaction. This individual must have the appropriate funds transfer or callback authority. Members United will perform this callback procedure the same day the funds transfer is received by us and prior to sending the funds transfer.

During the callback procedure, the instructions of the funds transfer must be verbally repeated back to Members United by the individual at the sending organization authorized to perform this verification. The instructions must include dollar amount, receiving institution ABA number and name, further and/or final credit information and account number. All callbacks to verify funds transfers are performed on Members United recorded phone lines.

In the event Members United is unable to perform this callback procedure for any reason, including but not limited to unavailable authorized originating organization individuals or Members United inability to contact the organization, the funds transfer may be canceled. If the funds transfer is canceled, the originating organization will be notified as soon as possible.

PERSONAL IDENTIFICATION NUMBERS

Personal Identification Numbers (PINs) are issued by Members United to member credit union and CUSO employees authorized in writing by a duly authorized representative of the organization to perform certain transactions. A separate PIN will be issued to each employee designated by the organization to perform funds transfers. PINs are to be used only by the individual to whom they were originally issued. In the event a Members United employee suspects a PIN has been compromised or misused, the PIN in question will be deleted. A new PIN will then be issued and mailed in a sealed envelope addressed to the credit union's or CUSO's designated PIN contact for delivery to the PIN recipient.

Requests for PINs must be made on either the Transfer Authorization form provided by Members United or the credit union's or CUSO's letterhead. Any additions or changes to PIN authorities must also be submitted on a Transfer Authorization form or in writing on an original letter, on the credit union's or CUSO's letterhead signed by an authorized representative of the organization. Facsimile forms of either form will be accepted.

PINs will be reissued on a regular cycle, based on the frequency of usage of funds transfer services. All PINs will be reissued at least annually. The frequency of reissuance of PINs may be changed from time to time at the discretion of Members United's management.

WIRE TEMPLATES - Pre-Authorized Wires

Wire Templates are pre-authorized wire instructions set up between a member credit union or CUSO and Members United with a designated four-digit code. The entry of this four digit code will automatically pre-fill the required fields on Members United's computer system with the wire instructions as established in the wire template set up process. Wire template transfers are not subject to the verification callbacks as described above.

Member organizations can establish wire templates in the Premier View system. Template management rights have to be assigned within the Premier View authorities. Wire template creation requires a second dual approval from an authorized individual at the member organization.

INCOMING WIRE TRANSFERS

Any incoming wire transfer received by Members United containing the credit union's or CUSO's name and ABA number will typically be posted on the day received if received prior to 5:00 p.m. Central time. Any wire received after that time may not be posted until the following business day.

No wires will be backdated. Incoming wires will be posted to the credit union's or CUSO's master/cash management account.

The availability of the funds may be delayed in the event that the funds transfer may be a potential violation to a sanction administered by the Office of Foreign Asset Control. Members United will notify the member organization if such a delay exists and if additional information is needed to expedite the release of the funds.

Incoming wire information can be obtained through Premier View. All wire activity will appear on the member organization's regular Members United monthly account statements.

OFFICE OF FOREIGN ASSET CONTROL

The Office of Foreign Asset Control (OFAC) is the agency within the Department of Treasury that administers a series of laws that impose economic sanctions against hostile targets (countries, entities, and individuals). The Foreign Asset Control Regulations are found in the Code of Federal Regulations at 31 CFR 500, et seq.

The U.S. Congress takes compliance with the OFAC laws very seriously, and has enacted stringent civil and criminal penalties for violations of these regulations. Fines can range from \$50,000 to \$10 million, with civil penalties ranging from \$11,000 to \$1 million per incident, and prison sentences of up to 30 years for willful violations.

All financial institutions involved in a funds transfer are subject to compliance with OFAC regulations. All U.S. persons must comply with OFAC regulations, including all U.S. citizens and permanent resident aliens regardless of where they are located, all persons and entities within the United States, all U.S. incorporated entities and their foreign branches. These regulations are applicable to both domestic and international funds transfers.

Members United complies with these regulations by processing an OFAC check on all incoming and outgoing funds transfers and by blocking or rejecting funds when necessary. **Members United's actions do not eliminate the member organization's compliance responsibilities.**

Complete and current regulations and listings are available at the OFAC website at: <http://www.ustreas.gov/ofac>.

Information may also be obtained by calling 1-800-540-6322.