

## **HSA CARDHOLDER AGREEMENT**

This Cardholder Agreement ("Agreement") sets forth the terms and conditions under which the Health Savings Account debit card ("Card") has been provided to you by Lake Trust Credit Union ("Issuer"). By accepting and using the Card, you agree to be bound by the terms and conditions contained in this Agreement. You acknowledge that the eligibility requirements and restrictions governing your Health Savings Account ("HSA") are defined by law and the Internal Revenue Service ("IRS") rules and agree to only use the Card in connection with the payment or reimbursement of eligible expenses as defined in the law and IRS rules.

As used in this Agreement "You" and "your" mean the person or persons who have received the Card and are authorized to use the Card as provided for in this agreement. "We", "us", and "our" mean the Issuer, our successors, affiliates, or assignees.

**DEBIT CARD** – solely for use in connection with Qualified Medical Expense ("QME") as defined by the IRS. The amount available for Card use is limited to the amount available in your Health Savings Account. You agree to only use the Card for QME for which you have not and will not seek reimbursement for under any other plan covering the same benefits. Each time you present the Card, you represent that the transaction is for a QME. If you use the card for any purpose other than a QME, you may be subject to taxes, penalties, fines, or surcharges according to applicable federal and state law. We have no responsibility to make such determination. If you use the Card for any other purpose, you indemnify us and hold us harmless for any penalties or other consequences that may occur as a result of such use. You should retain receipts for all transactions to provide support that the expenses meet the requirements for a QME. You may use your card to purchase goods and services from participating merchants. If you wish to pay for goods or services over the Internet, you may be required to provide card number security information before you will be permitted to complete the transaction. You agree that you will not use your card for any transaction that is illegal under applicable federal, state, or local law. Funds to cover your card purchases will be deducted from your HSA account. If you initiate a transaction that overdraws your Account, you agree to make immediate payment of any overdrafts together with any service charges to the Credit Union. In the event of an overdraft, the Credit Union may terminate all services under this agreement.

**FOREIGN TRANSACTIONS MASTERCARD®** – Purchase and cash withdrawal transactions in foreign currencies will be debited from your account in U.S. Dollars. The exchange rate used to convert foreign currency transactions to U.S. Dollars is either a government-mandated exchange rate or a wholesale exchange rate and is selected by MasterCard®. The rate MasterCard® uses for a particular transaction is the rate MasterCard® selects for the applicable currency on the day the transaction is processed. This rate may differ from the rate MasterCard® receives and the rate applicable on the date the transaction occurred or was posted to your account. A fee of 1% of the amount of the transaction calculated in U. S. dollars may be charged on all transactions completed outside of the United States, where the cardholder country code differs from the merchant country code.

**FEES AND CHARGES** – There are certain fees and charges for electronic funds transfer (EFT) services. For a current listing of all applicable fees, see our current Fee Schedule. From time to time, the charges may be changed. We will notify you of any changes as required by applicable law

**PERIODIC STATEMENTS** – Transfers and withdrawals made through any POS terminal, Debit Card transactions, will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.

**BUSINESS DAYS** – Our business days are Monday through Friday, excluding Federal Holidays.

**CREDIT UNION LIABILITY FOR FAILURE TO MAKE TRANSFERS** – If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses or damages. However, we will not be liable for direct or consequential damages in the following events:

- If, through no fault of ours, there is not enough money in your accounts to complete the transaction, if any funds in your accounts necessary to complete the transaction are held as uncollected funds pursuant to our Funds Availability Policy Disclosure, or if the transaction involves a loan request exceeding your credit limit.
- If you used your card or access code in an incorrect manner.
- If circumstances beyond our control (such as fire, flood, or power failure) prevent the transaction.

- If the money in your account is subject to legal process or other claim.
- If funds in your account are pledged as collateral or frozen.
- If the electronic transfer is not completed as a result of your willful or negligent use of your card, access code, or any EFT facility for making such transfers.
- Any other exceptions as established by the Credit Union.
- If the equipment you use to conduct a transaction is not working properly.
- If you have automated payments, we can only confirm the amount, the merchant, and date of the payment transfer made by the Credit Union. For any other error or question you must contact the merchant directly. We are not responsible for investigating such errors.

**GOVERNING LAW** – This agreement is governed by the Bylaws of the Credit Union, Federal laws and regulations, the laws and regulations of the State of Michigan and local clearinghouse rules, as amended from time to time. Any disputes regarding this agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located. The name and address of the governmental agency regulating the Credit Union is:

Credit Union Division  
 Department of Insurance & Financial Services  
 611 W. Ottawa, 3rd Floor  
 PO Box 30220  
 Lansing, MI 48909-7720

**OWNERSHIP OF CARDS** – Any card or other device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the card, immediately according to instructions. The card may be repossessed at any time at our sole discretion without demand or notice. You cannot transfer your card or account to another person.

**HONORING THE CARD** – Neither we nor merchants authorized to honor the card will be responsible for the failure or refusal to honor the card or any other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your account in lieu of a cash refund.

**SECURITY OF ACCESS CODE** – You may use one or more access codes with your electronic funds transfers. The access codes issued to you are for your security purposes. Any codes issued to you are confidential and should not be disclosed to third parties or recorded on or with the card. You are responsible for safekeeping your access codes. You agree not to disclose or otherwise make your access codes available to anyone not authorized to sign on your accounts. If you authorize anyone to use your access codes that authority shall continue until you specifically revoke such authority by notifying the Credit Union. You understand that any joint owner you authorize to use an access code may withdraw or transfer funds from any of your accounts. If you fail to maintain the security of these access codes and the credit union suffers a loss, we may terminate your EFT services immediately.

**MEMBER LIABILITY** – You are responsible for all transactions you authorize under this agreement. If you permit someone else to use your card or access code, you are responsible for any transactions they authorize or conduct on any of your accounts. However, TELL US AT ONCE if you believe your card and/or access code has been lost or stolen or if you believe someone has used your card or access code or otherwise accessed your accounts without your permission. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). You are not liable for an unauthorized MasterCard® Debit Card transaction that was not conducted at an ATM if you can demonstrate that you exercised reasonable care in safeguarding your card from the risk of loss or theft, and upon becoming aware of a loss or theft, you promptly report the loss or theft to us. For all other types of transactions including an ATM transaction, your liability is determined as follows:

- If you tell us within two (2) business days, you can lose no more than \$50 if someone used your card or code without your permission;
- If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card or code, and we can prove that we could have stopped someone from using your card or code without your permission if you had told us, you could lose as much as \$500.00.

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money lost after the sixty (60) days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods. If you believe your card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call: **888.267.7200** or

write to: **Lake Trust Credit Union**  
**4605 S. Old US Highway 23**  
**Brighton, MI 48114-7521**  
**Fax: 517.267.7017**

**BILLING ERRORS** – In case of errors or questions about electronic funds transfers from your savings and checking accounts, or if you need more information about a transfer on the statement or receipt, telephone us at the following number or send us a written notice to the following address as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears. Call us at: **888.267.7200** or

write to: **Lake Trust Credit Union**  
**4605 S. Old US Highway 23**  
**Brighton, MI 48114-7521**

Tell us your name and account number. Describe the electronic transfer you are unsure about and explain, as clearly as you can why you believe the Credit Union has made an error or why you need more information. Tell us the dollar amount of the suspected error. If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not recredit your account. We will tell you the results of our investigation in writing within ten (10) business days after we hear from you and we may provisionally correct the error promptly or if the correction is in an amount different than the alleged error we will explain the reason for the difference. We may take up to forty-five (45) days to investigate your inquiry. Our provisional credit to your account within ten (10) business days for the amount you think is in error, allows you the use of the money during the time it takes us to complete our investigation. We will tell you the results within three (3) business days of completing our investigation. If we decide that an error did not occur, we will send you a written explanation and we may charge back the corrected amount to your account within sixty (60) days of our notice to you. If you request, we will provide you copies of documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur. For a complete copy of the Electronic Funds Transfer disclosure, please contact Lake Trust Credit Union.