



## Table of Contents

<b>TERMS AND CONDITIONS OF YOUR ACCOUNT .....</b>	<b>6</b>
<b>Important Information About Procedures For Opening A New Account.....</b>	<b>6</b>
<b>Agreement.....</b>	<b>6</b>
<b>Liability.....</b>	<b>7</b>
<b>Deposits.....</b>	<b>7</b>
<b>Withdrawals .....</b>	<b>7</b>
<b>Stop Payments.....</b>	<b>9</b>
<b>Telephone Transfers .....</b>	<b>10</b>
<b>Transaction Limitations.....</b>	<b>10</b>
<b>Amendments &amp; Termination .....</b>	<b>10</b>
<b>Statements .....</b>	<b>11</b>
<b>Account Transfer.....</b>	<b>11</b>
<b>Statement Delivery.....</b>	<b>11</b>
<b>Direct Deposits .....</b>	<b>11</b>
<b>Temporary Account Agreement.....</b>	<b>12</b>
<b>Uncollected &amp; Non-Sufficient Funds.....</b>	<b>12</b>
<b>Setoff .....</b>	<b>12</b>
<b>Authorized Signer (Individual Accounts only) .....</b>	<b>12</b>
<b>Restrictive Legends.....</b>	<b>13</b>
<b>Payment Order of Items.....</b>	<b>13</b>
<b>Facsimile Signatures.....</b>	<b>13</b>
<b>Stale-Dated Checks .....</b>	<b>14</b>
<b>Indorsements .....</b>	<b>14</b>
<b>Unclaimed Property.....</b>	<b>15</b>
<b>Death or Incompetence .....</b>	<b>15</b>
<b>UTMA Accounts.....</b>	<b>15</b>
<b>Fiduciary Accounts.....</b>	<b>15</b>
<b>Credit Verification .....</b>	<b>15</b>
<b>Changing Account Products.....</b>	<b>15</b>

Legal Actions Affecting Your Account..... 16

Item Processing..... 16

Check Cashing..... 16

Security..... 16

Deposit of Remotely Created Checks..... 17

Bounce Protection Customer Overdraft Guidance ..... 17

Monitoring and Recording Telephone Calls ..... 18

Telephonic Instructions..... 18

Claim of Loss ..... 19

Early Withdrawal Penalties (and involuntary withdrawals) ..... 19

Address or Name Changes..... 19

Resolving Account Disputes..... 19

Waiver of Notices ..... 19

Subaccount Organization ..... 19

Deposit Overdraft Protection ..... 20

Night Drop..... 20

Notice of Negative Information..... 21

**ELECTRONIC FUNDS TRANSFER DISCLOSURE..... 21**

**Electronic Funds Transfers Your Rights and Responsibilities ..... 21**

**Electronic Fund Transfers Initiated By Third Parties ..... 21**

Limits, Debit Card Access and Purge..... 22

Telephone Transactions..... 22

Currency Conversion and International Transactions..... 23

Advisory Against Illegal Use..... 23

Debit Transaction and ATM Card Processing ..... 23

Online Banking ..... 24

Limits and Fees ..... 24

ATM Operator/Network Fees..... 24

Option to Limit Cash Withdrawals..... 24

Documentation..... 24

Pre-authorized Payments..... 24

Financial Institution’s Liability ..... 25

Confidentiality..... 25

Regulatory Authority..... 25

Unauthorized Transfers..... 25

Error Resolution Notice..... 26

Refusal to Honor Card..... 26

Transaction Slips..... 27

Returns & Adjustments..... 27

Foreign Transactions..... 27

Contact Information..... 27

Notice of ATM/Night Deposit Facility User Precautions..... 27

**FUNDS AVAILABILITY..... 28**

Definitions for Reference..... 28

Transaction Accounts..... 28

*Longer Delays May Apply..... 30*

Special Rules for New Accounts..... 30

Deposits at Automated Teller Machines or Mobile Check Deposit..... 30

**SUBSTITUTE CHECKS AND YOUR RIGHTS..... 30**

Definitions for Reference..... 30

What is a substitute check?..... 31

What are my rights regarding substitute checks?..... 31

How do I make a claim for a refund?..... 31

Substitute Check Image..... 32

**TRUTH IN SAVINGS DISCLOSURE..... 33**

SimplyChecking..... 33

SimplyPlus Checking..... 33

SimplyMax Checking..... 34

Express Checking Account..... 34

SimplyOne Account..... 35

SimplySavings..... 35

SimplyMax Savings..... 36

SimplyKids Savings..... 36

Vacation/Holiday Club Account..... 37

IRA Savings..... 37

Health Savings Account..... 38



Elite Savings.....	38
SimplySavings Promo 1.15%.....	39
Max Savings Promo 1.15%.....	39
Elite Savings Promo 1.15%.....	40
Express Savings Account.....	40
SimplyMoney Market.....	41
Express Money Market.....	41
Certificates of Deposit.....	42
FEE SCHEDULE.....	43

## TERMS AND CONDITIONS OF YOUR ACCOUNT

### Important Information About 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, address, date of birth, and other information that will allow us to identify you. We may also ask for copies of identification documents for each applicant. You must be a U.S. citizen or permanent resident alien with a valid social security number and be over 18 years of age.

### Agreement

This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you sign/accept the signature card, the electronic disclosures or open or continue to use the account, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please call us.

This agreement is subject to applicable federal laws, the laws of the state of Michigan and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

1. summarize some laws that apply to common transactions;
2. establish rules to cover transactions or events which the law does not regulate;
3. establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
4. give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document.

As used in this document the words "we", "our", and "us" mean Flagstar Bank and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

These additional terms are defined below:

Business Days are defined as Monday through Saturday, excluding federal holidays. Please review other disclosures carefully because Business Days may be defined differently in other sections.

Calendar day is defined as all days in a month including weekends and holidays. Calendar days are noted as "day(s)".

Your Balance includes the current funds from your posted transactions. Your Available Balance is your balance minus various holds (for example, check holds and/or pending debit card point of sale transactions). It also includes the balance of any account(s) you have linked for overdraft (for example, deposit account overdraft protection and/or overdraft line of credit). Applicable fees will apply per transaction if any of these funds are used. It does not include any available Bounce Protection funds.

Items can be: withdrawal tickets, checks, transfers, electronic debits, imaged debits, wire transfers, ATM debits, ACH debits, bill pay debits, photo copy debits, bank generated debits, basically any debits posted to the account.

A minor is an individual under 18 years of age.

### **Liability**

You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

### **Deposits**

We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received by us on a business day as having been received on that business day. We will treat and record all transactions received by us on a day on which we are not open for business, as if initiated on the next business day on which we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

### **Withdrawals**

**Generally-** Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

**Postdated Checks** - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

**Checks and withdrawal rules** - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. We may refuse any withdrawal or transfer request if our computer system is not available, if we have any concern over the authority or identity of the persons involved in transaction or are suspicious of the transaction. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitation (if any), in our discretion we may close your account or reclassify it as a transaction account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check", as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such an item. Payment of forged or fraudulent items that could not be detected by a prudent person is not failure to exercise ordinary care. We are not liable for wrongful dishonor of suspect items or for errors made in dishonoring items.

See the Funds Availability Disclosure for information about when you can withdraw funds you deposit. For those accounts to which our Funds Availability Disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for non-sufficient funds at any time between the time we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

**Overdrafts** - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts, except for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

**Multiple signatures, electronic check conversion, and similar transactions** – An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on the item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.



**Notice of Withdrawal** – We reserve the right to require no less than 7 days' notice in writing before each withdrawal from a savings or money market account. (The law allows us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal. These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

- **Individual Account** - is an account in the name of one person.
- **Joint Account** – With Survivorship (And Not As Tenants In Common) - is an account in the name of two or more persons. Each of you intends that when you die the balance in the account (subject to any previous pledge to which we have agreed) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common.
- **Pay-on-Death Account** (subject to this Agreement) - If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless:
  1. all persons creating the account die, and
  2. the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. Any such beneficiary may withdraw his/her share of the account balance at any time if all persons creating the account die. The person(s) creating this account type reserve the right to:
    1. change beneficiaries,
    2. change account types, and
    3. withdraw all or part of the account funds at any time.

Such changes must be in writing. A Payable on Death (POD) Account may be opened in one of the following ways: Individual owner with beneficiary(s) or Multiple Owners with beneficiary(s). In order for a transfer to a beneficiary to take place, a beneficiary must provide proof of death of the owner(s) of the account.

## Stop Payments

You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. To be effective, your stop-payment order must precisely identify the number, date and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not. Our stop-payment cutoff time is one hour after the opening of the next business day after the business day on which we receive the item.

Stop Payment Orders for Checks will remain in effect until the earlier of (1) until you withdraw the stop payment order, (2) until payment of the item has been stopped or (3) for six months after the date accepted and will automatically expire after that period unless renewed in writing.

Stop Payment Orders for ACH Preauthorized Payments will remain in effect until the earlier of (1) until you withdraw the stop payment order, (2) the return of the debit entry, or (3) where a stop payment order is applied to more than one debit entry under a specific authorization involving a specific originator, the return of all such debit entries.

Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

## Telephone Transfers

A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). All of our deposit account holders have automatic authorization to use the 24-Voice Telephone Banking System for inquiries on account balances and other select functions. A request must be submitted for the allowance of transfers between accounts with a like ownership. You are solely responsible for the selection and confidentiality of your Security Code. Written notification is mailed to the account holder each time a change is made to the Security Code. If you feel your Security Code has been compromised in any way, contact one of our representatives at (888) 248-6423. You further understand that you must report to us any unauthorized transfer to or from the account, in accordance with the time requirements as set forth in the document. We have no responsibility to contact you prior to executing a transfer beyond the detailed description on your monthly account statement. We shall not be liable for any damages, including consequential damages, should a transfer not occur and items are subsequently returned or paid, whether for inadvertence, negligence or oversight. Transfer authority will begin within 5 business days after receipt of your properly completed application and will remain within full force and effect until revoked in writing. We shall be given reasonable opportunity to act upon termination instructions. Other account transfer restrictions may be described elsewhere.

## Transaction Limitations

An unlimited number of deposits or withdrawals are permitted in person, by mail or ATM to the extent that these services are available with your savings and/or money market account(s). By federal regulation, not more than six preauthorized, automatic, online or telephone transfers or withdrawals or check or debit (also known as Point-of-Sale (POS)) withdrawals are permitted per calendar month. If you go over these limits, we may either charge your account, close your account, or end your right to withdraw or transfer money from your account by telephone or online transfer, check, debit card, automatic withdrawal or transfers, and preauthorized withdrawal. We may also refuse to permit withdrawals or transfers that go over these limits and may charge you for requesting such withdrawals or transfers.

## Amendments & Termination

We may change any terms or conditions at any time at our discretion. Rules governing changes in interest rates are provided separately in the Truth in Savings disclosure or in another document. For other changes, we will give you reasonable notice, if required by law, in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Items presented for payment after the account is closed may be dishonored. When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items to be paid from the account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. All other accounts with a zero dollar balance will be closed after 90 days of maintaining a zero dollar balance. You agree to keep us informed of your current address at all times. Notice from us to any one of you is notice to all of you. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

## Statements

**Your duty to report unauthorized signatures, alterations and forgeries** - You must examine your statement of account with reasonable promptness. If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstances, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

### **Your duty to report other errors**

In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error - such as an encoding error. You agree that the time you have to examine your statement and report to us will depend on the circumstances. However, such time period shall not exceed 60 days. Failure to examine your statement and report any such errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any such errors on items identified in that statement and as between you and us the loss will be entirely yours.

### **Errors relating to electronic fund transfers or substitute checks**

For information on errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

## Account Transfer

This account may not be transferred or assigned without our prior written consent.

## Statement Delivery

Statements may be delivered electronically or by paper. Fees may apply.

## Direct Deposits

If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

## Temporary Account Agreement

If this option is selected, this is a temporary account agreement. Each person who signs to open the account or has authority to make withdraws (except as indicated to the contrary) or accepts the electronic disclosures provided with the online application may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

## Uncollected & Non-Sufficient Funds

Your account will be overdrawn if a check or an item is charged against, or a withdrawal or transfer is made from, your account for more money than you have in your account. At our discretion, we may return any such transaction if there are uncollected funds or a non-sufficient balance in your account to pay this transaction. We may determine whether there are sufficient funds in your account at any time between the time a transaction is presented to us or if we receive notice regarding the transaction and the time it is returned. We are not required to make this determination more than one time. The charges for each check or item returned or paid on an account that has uncollected funds, non-sufficient funds, or is overdrawn are listed in our Fee Schedule.

Additionally, you agree to reimburse us immediately, upon demand, for the dollar amount that your account is overdrawn and related costs, expenses, and reasonable attorney's fees (including the cost of any attorney employed by us).

## Setoff

We may (without prior notice and when permitted by law) set off the funds in this account against "*any due and payable debt*" you owe us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal 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 set off, including any balance the due date for which we properly accelerate under the note. This right of setoff does not apply to this account if prohibited by law.

For example, the right of setoff does not apply to this account if:

1. it is an Individual Retirement Account or similar tax-deferred account, or
2. 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
3. the debtor's right of withdrawal only arises in a representative capacity.

We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

## Authorized Signer (Individual Accounts only)

A single individual is the owner. The authorized signer is merely designated to conduct transactions on the owner's behalf. Namely, an authorized signer is any individual(s) that signed the account agreement, any designated Power of Attorney individual(s), or any person that has the authentication information or security code to gain access to the online banking system (unless and until we receive notice your information was stolen or the authorized individual is removed from the account). The owner does not give up any rights to act on the account, and the authorized signer may not in any manner affect the rights of the owner or beneficiaries, if any, other than by withdrawing funds from the account. The owner is responsible for any transactions of the authorized signer. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

The owner may terminate the authorization at any time, and the authorization is automatically terminated by the death of the owner. However, we may continue to honor the transactions of the authorized signer until: (a) we have received written notice or have actual knowledge of the termination of authority, and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept the designation of an authorized signer.

## **Restrictive Legends**

The automated processing of the large volume of checks we receive prevents us from inspecting or looking for special instructions or "restrictive legends" on every check. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." For this reason, we are not required to honor any restrictive legend placed on checks unless we have agreed in writing to the restriction. We are not responsible for any losses, claims, damages, or expenses that result from your placement of these or other special instructions on your checks.

## **Payment Order of Items**

The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items.

Our policy is to process wire transfers, phone transfers, online banking transfers, in branch transactions, ATM transactions, debit card transactions, ACH transactions, bill pay transactions and items we are required to pay, such as returned deposited items, first - as they occur on their effective date for the business day on which they are processed. We process checks and similar items second - in the order in which they are received for the business day on which they are processed.

If a check, item or transaction (other than an ATM or everyday debit card transaction) is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item for non-sufficient funds (NSF). The amounts of the overdraft and NSF fees are disclosed elsewhere, as are your rights to opt in to overdraft services for ATM and everyday debit transactions, if applicable.

We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, please be aware that the order we pay your items may create multiple overdraft items in a single banking day and you will be charged the applicable fees for each overdraft item paid.

## **Facsimile Signatures**

Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

## Stale-Dated Checks

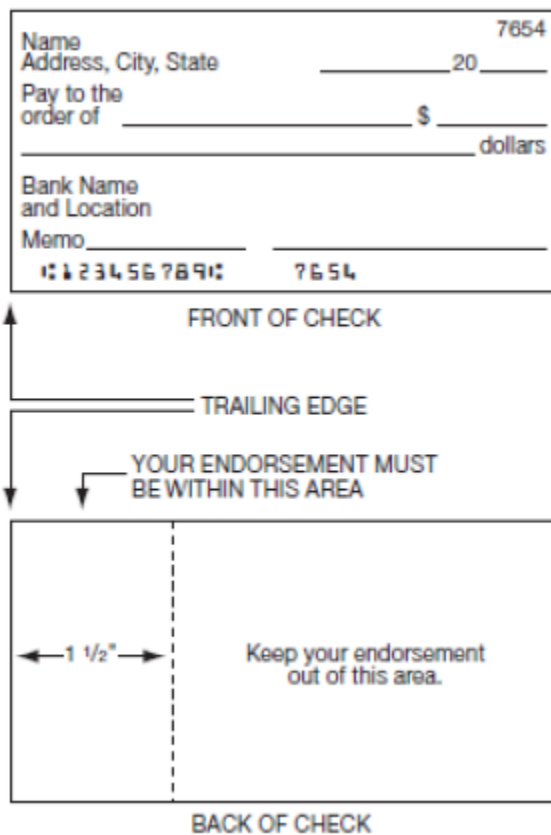
We are not obligated to, but may at our option, pay a check, other than a certified check, presented for payment more than six months after its date. If you do not want us to pay a stale-dated check, you must place a stop-payment order on the check in the manner we have described elsewhere.

## Indorsements

We may accept for deposit any item payable to you or your order, even if it is not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver's license number, etc.) must fall within 1 ½ " of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 ½ " of that edge.



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement or information you have printed on the back of

the check obscures our indorsement. These indorsement guidelines apply to both personal and business checks.

## Unclaimed Property

Your property may be transferred to the appropriate state if no activity occurs in the account within the time period specified by state law. The law establishes procedures under which unclaimed property must be surrendered to the state. (We may have our own rules regarding dormant accounts, and if we charge a fee for dormant accounts it will be disclosed to you elsewhere.) Generally, the funds in your account are considered unclaimed if you have not had any activity or communication with us regarding your account over a period of years. Ask us if you want further information about the period of time or type of activity that will prevent your account from being unclaimed. If your funds are surrendered to the state, you may be able to reclaim them, but your claim must be presented to the state. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds.

## Death or Incompetence

You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or becomes legally incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or legal incompetence for up to ten (10) business days after your death or legal incompetence unless ordered to stop payment by someone claiming an interest in the account.

## UTMA Accounts

Under the *Uniform Transfers to Minors Act*, the funds in the account are owned by the child who has unconditional use of the account when he or she reaches age 18, unless otherwise agreed. Before that time, the account may be accessed only by the custodian (or successor custodian), and the funds must be used for the benefit of the child. We, however, have no duty or agreement whatsoever to monitor or insure that the acts of the custodian (or successor custodian) are for the child's benefit. For this type of account, the child's SSN/TIN is used for the Backup Withholding Certification.

## Fiduciary Accounts

Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

## Credit Verification

You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

## Changing Account Products

We may change your account to another product offered by us at any time by giving you notice that your account will be changed to another product on a specified date. If your account is a time account, the change will not occur before the next maturity date of your account. If you do not close your account before the date specified in the notice, we may change your account to that other product on the date specified in the notice.

## Legal Actions Affecting Your Account

If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed legal action in this section), we will comply with that legal action. Or, in our discretion, we may freeze the assets in the account and not allow any payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

## Item Processing

We process items mechanically by relying solely on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have not failed to exercise ordinary care solely because we use our automated system to process items and do not inspect all items processed in such a manner. Using an automated process helps us keep costs down for you and all account holders.

## Check Cashing

We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash such a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

## Security

It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your account(s). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account. If you provide your account number in response to a telephone solicitation for the purpose of making a transfer (to purchase a service or merchandise, for example), payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

You agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, such as positive pay or commercially reasonable security procedures, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered, unless we acted in bad faith or to the extent our negligence contributed to the loss.



## Deposit of Remotely Created Checks

Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line. For example, if a person provides an account number in response to a telephone solicitation, the telephone solicitor can use the account number to issue a remotely created check to withdraw money from that account.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection:

1. you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check;
2. you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask;
3. if a check is returned you owe us the amount of the check, regardless of when the check is returned which shall be payable to us immediately and without demand;
4. you are liable if you are giving routing and account numbers; and
5. if you deposit a remotely created check, you give warranties to the bank and subsequent financial institutions.

We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

## Bounce Protection Customer Overdraft Guidance

There are several ways your account can become overdrawn, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you; (3) the return of unpaid items deposited by you; (4) bank service charges; or (5) the deposit of items which, according to the funds availability policy disclosure, are treated as not yet available or finally paid. While we are not obligated to pay any item presented for payment if your account does not contain enough money, as long as you maintain your account in "good standing," we may approve your overdraft items within your current available Bounce Protection limit as a non-contractual courtesy.

For overdraft privilege consideration, your account is in "good standing" if you (1) deposit enough money to bring your account to a positive end-of-day balance at least once every 30 consecutive days (including the payment of all bank fees and charges); (2) avoid excessive overdrafts; and (3) have no legal orders, levies or liens against your account. You may opt out of the program at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft **plus** the bank's nonsufficient funds (NSF) fee per item will be deducted from the overdraft limit.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in good standing as defined above, or, if based upon our review of your account management, we determine that you are using Bounce Protection excessively. You will be charged an NSF fee for each item returned. Bounce Protection cannot be used for certain transaction types, including, but not limited to, wire transfers.

We will notify you promptly of any NSF items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdraft including our NSF fee and/or an NSF fee that you owe us is due and payable upon demand. Even if we do not ask you for payment, you must repay us, no later than 30 days after the creation of the overdraft. If there is an overdraft on an

account with more than one owner on the signature card, each owner and agent, if applicable, is jointly and severally liable for all overdrafts including all fees incurred by you.

Bounce Protection should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconcile your check book regularly, and manage your finances responsibly. If you would like to have this program removed from your account, please call (888) 248-6423.

If you are a new, active accountholder, you may be able to use the overdraft program limit assigned to your account after the expiration of the 60-day qualification period. During the 60-day qualification period, your account must have total deposits greater than or equal to the Bounce Protection limit applicable to your account. Multiple overdrafts or returned items during the qualification period may disqualify you from receiving the Bounce Protection program. If you are an existing Flagstar deposit account customer and are adding Bounce Protection to a new account, you must make a qualifying deposit. A qualifying deposit is greater than or equal to the Bounce Protection limit applicable to your new account.

Bounce Protection will be added to the account on the business day after the business day on which you successfully complete the qualification period or you make the qualifying deposit, as applicable. Certain days, such as Sunday and holidays, are not business days. For example, if you make a qualifying deposit on a Sunday, Bounce Protection will not be available until the following Tuesday.

Please note that your Bounce Protection limit may be available for each item paid under the limit created by checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic payment (ACH) transaction, or automatic bill payment and recurring debit card payment. Also, at your request, we may authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your limit. When you ask for your account balance, please remember the amount we show you does not include your overdraft limit.

Please see the Fee Schedule for current fees.

### **Limitations**

Bounce Protection is a non-contractual program that is available to individually/jointly owned or certain business owned accounts in good standing. It is not available for certain account ownerships, including, but not limited to, trusts, minors, representative payees, government entities, corporations, etc. Flagstar Bank reserves the right to limit participation to one account per household and to suspend, revoke, or discontinue this program without prior notice. If your limit is suspended, unless we notify you otherwise or you request this program be removed from your account, your limit will be made available to cover overdrafts again the first business day after you bring your account to a positive end-of-day balance.

### **Monitoring and Recording Telephone Calls**

We may monitor or record phone calls for security reasons and to ensure that you receive courteous and efficient service. You consent in advance to any such recording. We need not remind you of our recording before each phone conversation.

### **Telephonic Instructions**

Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission or leave by voice mail or on a telephone answering machine.

## Claim of Loss

If you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss.

You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

## Early Withdrawal Penalties (and involuntary withdrawals)

We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your notice of penalty for early withdrawals for additional information.

## Address or Name Changes

You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

## Resolving Account Disputes

We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

## Waiver of Notices

You waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account.

## Subaccount Organization

For regulatory accounting purposes, we have organized your checking account as two subaccounts. One of these accounts is a transaction subaccount (e.g., a checking subaccount). You will transact business on this subaccount. The other is a nontransaction subaccount (e.g., a savings account). You cannot directly access the non-transaction subaccount, but you agree that we may automatically, and without a specific request from you, initiate individual transfers of funds between subaccounts from time to time at no cost to you.

This account organization will not change the amount of federal deposit insurance available to you, your available balance, the information on your periodic statements, or the interest calculation, if this is an interest-bearing account.

You will not see any difference between the way your checking account operates and the way a traditionally organized checking account operates, but this organization makes us more efficient and helps to keep costs down.

## Deposit Overdraft Protection

You agree that we may transfer funds from the designated deposit account, including your money market account, to a designated checking account, provided the sufficient balance is available to pay the full amount of the overdraft including an overdraft caused by a debit card transaction, to the checking account designated whenever the funds are not available in the checking account. You may only have accounts linked on which your name appears as an owner or obligor and where the ownership on both accounts is the same.

We have no duty to link accounts on your behalf. In our Bank's sole discretion, we may limit the types and number of accounts that may be linked and impose restrictions on linking specific account you may have. You agree that information regarding your linked accounts may be made available to any other owner or obligor on any of the accounts that are linked. We reserve the right to limit the types and numbers of transactions available to pull from the linked accounts. Please view the schedule of fees for applicable charges. Our agreement to link accounts in this manner may be cancelled upon your written request or at our discretion.

## Night Drop

If you utilize one of our outside depositories without having first executed our Night Depository Agreement, you agree to be bound by the terms for the night depository service contained herein and all applicable fees and service charges. If you have executed a separate Night Depository Agreement with us, the terms of this disclosure will govern your use of the service to the extent of a conflict or inconsistency between the terms of the Night Depositor Agreement and this disclosure. Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card are authorized to perform night depository transactions. This authorization will continue until you give us written notice to the contrary. All items placed in a night depository must be secured in sealed or locked in a tamper-evident container. You must include in the sealed or locked container an itemized deposit slip documenting the container's contents and retain a copy of the deposit slip for your records. Items deposited in the night depository may only contain cash and checks, drafts, or other similar items that would be presented to a teller for deposit. We will remove and open the containers and credit the contents to your designated account no later than the end of the next business day after they are placed in the night depository.

Nothing in this disclosure is intended to determine the extent, if any, to which the items are insured once they are deposited. Prior to the items placed in the night depository becoming deposited, our responsibility will be limited to the exercise of reasonable care, and unless otherwise required by law we will not insure such items, and our not insuring them will not constitute failure to exercise reasonable care. We will not under any circumstances be liable for consequential damages. If there are any discrepancies between the amounts shown on your deposit slip and the actual contents of the container, we will promptly notify you in writing of the discrepancies. You will only be entitled to credit for the actual contents, as determined by a bank officer or employee who is present to witness and record the contents of the containers, when opened, regardless of what is stated on the deposit slips. We are only responsible for provable losses that are directly sustained by you and only to the extent that such losses were caused by our gross negligence or willful misconduct. Unless otherwise required by law, you agree that we are not liable for any loss or damage, neither direct or consequential, that results (i) from a delay in accepting a deposit, applying a payment or otherwise processing a deposited transaction; (ii) from the operation, mechanical failure, or general condition of the night depository, the keys for it or any other equipment in connection with the night depository service; (iii) to property placed in the night depository in breach of this disclosure or the Night Depository Agreement or left

outside of the night depository; or (iv) from delay in processing a deposited transaction while we are waiting for your instructions.

You agree that any action taken by us in offering the night depository service to you in accordance with this disclosure and the Night Depository Agreement constitutes an act of courtesy and convenience; and therefore we shall have no responsibility or liability in the event that your deposit does not comply with the terms of this disclosure and the Night Depository Agreement and/or the contents of your deposit fail to conform to the accompanying deposit ticket.

The bank records to any deposit in the night depository shall be conclusive as between you and the bank with respect to the fact of the deposit or claimed deposits. You assume full responsibility for and risk of any shortage resulting from such discrepancy. We may temporarily suspend use of the night depository, without any resulting liability, by posting a sign to that effect at or near the night depository in the event of an emergency or to make alterations or repairs.

### Notice of Negative Information

Federal law requires us to provide the following notice to customers before any negative information may be furnished to a nationwide consumer reporting agency. Negative information includes information concerning delinquencies, overdrafts 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 customers that have not done what they are required to do under our agreement. **We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.**

## ELECTRONIC FUNDS TRANSFER DISCLOSURE

### Electronic Funds Transfers Your Rights and Responsibilities

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

### Electronic Fund Transfers Initiated By Third Parties

You may authorize a third party to initiate electronic funds transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when the merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic funds transfers. Examples of these transfers include, but are not limited to:

- **Pre-authorized Credits.** You may make arrangements for certain direct deposits for example, from Social Security or payroll to be accepted into your checking, money market, or savings accounts.

- **Pre-authorized Payments.** You may make arrangements to pay certain recurring bills from your checking, money market, or statement savings account(s).
- **Electronic check conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking or money market account using information from your check to pay for purchases or pay bills.
- **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for non-sufficient or uncollected funds.

## Limits, Debit Card Access and Purge

To protect your accounts, there are daily dollar limits for ATM withdrawals, Personal Identification Number (PIN) based point-of-sale (POS), and Signature based POS purchases, even if your available balance is higher than the daily dollar limits. However, we may allow transactions that exceed your limits.

Your general ATM card limits are as follows:

- ATM/PIN Based POS transactions  
\$1,000.00 per 24 hour period

General ATM/POS limits for Minors are as follows: (Minors must be at least 16 years of age to obtain an ATM or debit card).

- ATM/PIN Based POS Transactions  
\$1,000.00 per 24 hour period
- Signature Based POS Transactions  
\$500.00 in transactions or 20 Signature based POS transactions per 24 hour period

ATM cards linked to certain accounts only will have limits determined during the account approval process.

The following limitations may apply:

SimplyOne Account ATM Card Limits

- ATM Withdrawal  
\$200.00 per 24 hour period
- PIN Based POS transactions  
\$1500.00 per 24 hour period

With any new debit card, you will receive your ATM and POS limits when you receive your debit card. Please refer to your card carrier for your debit card ATM and POS limits. If you don't know your limits or would like to change these limits, please call us. We may change your limits, and will notify you if we do so. If we suspect fraud on your account, we may temporarily lower your limits without notice.

We may suspend access to or deactivate your Flagstar debit card or ATM card and purge it from our system, if your debit card or ATM card is inactive for at least 180 consecutive days. We may also immediately suspend your Flagstar debit card if we suspect that your debit card may have fraudulent activity or for any other reason where we believe there is a risk to you or us.

## Telephone Transactions

You may access your account by telephone using your touchtone telephone, account numbers, and personal identification number (PIN) to:

- transfer funds between your checking, money market, or savings accounts
- get balance information about checking, money market, certificate, retirement, or savings accounts
- get transaction history about checking, money market, certificate, retirement, or savings accounts

You may access your account for telephone transactions at the following number(s) and during the following hours:

(888) 248-6423, 24 hours a day

## Currency Conversion and International Transactions

When you use your VISA® debit card or ATM card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

The fee we charge you for international transactions/currency conversions is disclosed separately. For more information, see the Fee Schedule section. An international transaction is a transaction where the country of the merchant or ATM is outside the USA.

## Advisory Against Illegal Use

You agree not to use your card(s) for illegal gambling or other illegal purposes. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

## Debit Transaction and ATM Card Processing

You may use your Flagstar ATM or debit card to perform certain transactions at ATMs. The transactions you may perform include:

- Withdrawing cash;
- Transferring funds between accounts;
- Conducting balance inquiries;
- Making deposits.\*

You may also purchase goods and services at merchants that accept ATM or debit cards if they are part of a participating PIN or signature point-of-sale (POS) card network. Purchases made using your Flagstar debit card or ATM card are subtracted from your designated Flagstar account. PIN based transactions are settled generally the same day and signature based transactions create a hold on the account that reduces your available balance by the amount of the authorization, even though the money does not come out of your account at that time. This hold generally lasts two business days, unless the transaction reaches Flagstar Bank sooner. Please note that signature based transactions can reach Flagstar Bank for payment sooner than, or later than two business days. They can also be for an amount different from the amount authorized. You may also use your Flagstar debit card to obtain cash at financial institutions that accept cards through a participating network.

If you use your card with a merchant to pay for your purchases via periodic payments, you must notify the merchant if your card number or expiration date has changed or your debit or ATM card or your account is suspended or closed. In addition, we may provide the merchant or the participating network your new account number or expiration date (or both).

You may request or we will issue you a Personal Identification Number (PIN) for use at ATMs and at merchants that accept ATM or debit cards.

The service marked with an asterisk (\*) is available at Flagstar ATMs only.

## Online Banking

You may access your account by computer at [www.flagstar.com](http://www.flagstar.com) by using your name and password to:

- transfer funds between your checking, money market, or savings accounts with us or at other financial institutions
- make payments from your checking or money market accounts
- get balance information about checking, money market, certificate, retirement, or savings accounts
- get transaction history about checking, money market, certificate, retirement, or savings accounts

## Limits and Fees

Please refer to our fee disclosure for information about fees and limitations that may apply to these electronic fund transfers.

## ATM Operator/Network Fees

When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

## Option to Limit Cash Withdrawals

In addition to any dollar limitations for withdrawals that we may establish, you have the option to limit the amount of cash that can be withdrawn using your ATM Card or Debit Card to \$50 per day or some other amount acceptable to us.

## Documentation

**Terminal Transfers.** You can get a receipt at the time you make any transfer to or from your account using one of our automated teller machines or point-of-sale terminals. However, you may not get a receipt if the amount of the transfer is \$15 or less.

**Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company:

- the person or company making the deposit will tell you every time they send us the money.
- you can call our Customer Service Department at (888) 248-6423 to find out whether or not the

deposit has been made.

**Periodic Statements.** You will get a monthly account statement from us for your checking, money market and statement savings account. If your account has no activity, meaning no deposits or withdrawals were made during one complete statement cycle, we will send you quarterly statements. When activity resumes on the account, we will revert to sending monthly statements. If you receive a quarterly statement, service charges will continue to be assessed, when applicable, based on monthly statement cycles.

## Pre-authorized Payments

***Right to stop payment and procedure for doing so.***

If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write at the telephone number or address listed in this disclosure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

***Notice of Varying Amounts.***

If these regular payments vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be debited and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)



***Liability for failure to stop payment of preauthorized transfer.***

If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

**Financial Institution's Liability*****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 will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. If you have an overdraft line and the transfer would go over the credit limit.
3. If the automated teller machine where you are making the transfer does not have enough cash.
4. If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
5. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
6. There may be other exceptions stated in our agreement with you.

**Confidentiality**

We will disclose information to third parties about your account or the transfers you make:

1. where it is necessary for completing transfers; or
2. in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. in order to comply with government agency or court orders; or
4. as described in our privacy policy disclosure, provided separately.
5. if you give us written permission.

**Regulatory Authority**

If you believe that any provision of the Electronic Funds Transfer Act has been violated you should notify the:

Bureau of Consumer Financial Protection  
P.O. Box 4503  
Iowa City, Iowa 52244

**Unauthorized Transfers*****(a) Consumer liability.***

Generally, Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. 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). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not

get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

***Additional limit on liability for VISA® debit card.***

Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen VISA® Debit Card. This additional limit on liability does not apply to international ATM transactions, to ATM transactions using your Personal Identification Number which are not processed by VISA® or PLUS networks.

***(b) Contact in event of unauthorized transfer.***

If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this section if you believe a transfer has been made using the information from your check without your permission.

## **Error Resolution Notice**

In case of errors or questions about your electronic transfers, call or write us at the telephone number or address listed in this notice, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. 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 10 business days. We will determine whether an error occurred within 10 business days (20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

## **Refusal to Honor Card**

In the event the card is not honored by a merchant, machine or others or the card is retained, you recognize that electronic terminals, merchants, financial institutions and others who might otherwise honor the card may not be able to determine your actual available balances or may have other limits or requirements. Therefore, we are not liable for the refusal or inability of such terminals or persons to honor the card or to complete a card withdrawal, or for their retention of the card.

## Transaction Slips

The statement for the account will identify the merchant, financial institution or electronic terminal at which Card withdrawals were made, but sales, cash withdrawals, credit vouchers or other slips you sign or receive cannot be returned with the statement. You will retain the copy of such slips furnished at the time of the transaction in order to verify the statement. We may make a reasonable charge for photocopies of slips you may request.

## Returns & Adjustments

Merchants and others who honor the Card may give credit for returns or adjustments, and they will do so by initiating a credit to us. We will credit that amount to your account. We cannot honor stop payment requests on Card withdrawals.

## Foreign Transactions

We may, from time to time, block debit card, ATM withdrawals and purchases made using a personal identification number (PIN) and point-of-sale transactions, in some countries due to suspected fraud.

## Contact Information

Flagstar Bank  
Item Processing Department  
301 West Michigan Avenue  
Jackson, MI 49201

Business Days are defined as Monday through Friday, excluding federal holidays, for purposes of disputes/unauthorized transactions only. Please review other disclosures carefully because Business Days may be defined differently in other sections.

Calendar day is defined as all days in a month including weekends and holidays. Calendar days are noted as "day(s)".

Customer Service (including lost/stolen card) call: U.S. &  
Canada: (888) 248-6423; International: (248) 312-2325  
PHONE: (888) 248-6423

## Notice of ATM/Night Deposit Facility User Precautions

As with all financial transactions, please exercise discretion when using an ATM or night deposit facility. For your own safety, be careful.

The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don't leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements you receive.
4. Don't lend your ATM card to anyone.
5. Remember, do not leave your card at the ATM. Do not leave any documents at a night deposit facility.
6. If you lose your ATM card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.

7. Protect the secrecy of your Personal Identification Number (PIN). Protect your ATM card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your ATM card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
8. Prevent others from seeing you enter your PIN by using your body to shield their view.
9. Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
10. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. Defer your transaction if circumstances cause you to be apprehensive for your safety. You might consider using another ATM or night deposit facility.
11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
12. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
13. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

## FUNDS AVAILABILITY

### Definitions for Reference

This policy statement applies to "*transaction accounts*". Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Checking accounts are the most common transaction accounts. Feel free to ask us whether any of your other accounts might also be under this policy.

Calendar day is defined as all days in a month including weekends and holidays. Calendar days are noted as "day(s)".

### Transaction Accounts

Our policy is to make funds from your check deposits available to you on the second business day after the day we receive your deposit, with the first \$200 available on the first business day after the day of your deposit. Electronic direct deposits will be available on the effective/settlement day of the deposit. The effective/settlement day may differ from the day we receive the deposit and would be placed in a pending status until the business day the transaction is dated from the originating company or individual.

Cash, wire transfers, and some specified check deposits will also be available before the second business day, as detailed below. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

The length of the delay is counted in business days from the day of your deposit. Every day is a business day except Sundays and federal holidays. If you make a deposit on a business day that we are open, we will consider that business day to be the business day of your deposit. However, if you make a deposit on a day we are not open, we will consider the deposit to be made on the next business day we are open. The length of the delay varies depending on the type of deposit and is explained below.

If you make a deposit at an ATM before 3:00 PM on a business day that we are open, we will consider that business day to be the business day of your deposit. However, if you make a deposit at an ATM after 3:00 PM or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

***Same Day Availability.***

Funds from electronic direct deposits to your account will be available on the effective/settlement day of the deposit. The effective/settlement day may differ from the day we receive the deposit and would be placed in a pending status until the business day the transaction is dated from the original company or individual.

If you make a cash deposit in person to one of our employees, the funds will be available on the business day we receive the deposit.

***Next-Day Availability.***

Funds from the following deposits are available on the first business day after the day of your deposit:

- U.S. Treasury checks that are payable to you.
- Checks drawn on Flagstar Bank.

If you make the deposit in person to one of our employees, funds from the following deposits are also available on the first business day after the day of your deposit:

- State and local government checks that are payable to you if you use a special deposit slip available from our tellers.
- Cashier's, certified, and teller's checks that are payable to you if you use a special deposit slip available from our tellers.
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day we receive your deposit.

***Other Check Deposits Subject to Second-Day Availability.***

The first \$200 from a check deposit will be available on the first business day after the day of your deposit. The remaining funds will be available on the second business day after the day of your deposit.

For example, if you deposit a \$700 check on a Monday, \$200 of the deposit is available on Tuesday. The remaining \$500 is available on Wednesday.

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

### **Longer Delays May Apply**

**Safeguard Exceptions.** Funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

### **Special Rules for New Accounts**

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the effective/settlement day of the deposit. The effective/settlement day may differ from the day we receive the deposit and would be placed in a pending status until the business day the transaction is dated from the originating company or individual. Funds from deposits of cash, wire transfers and the first \$5,000 of a day's total deposits of cashier's, certified, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the seventh business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the fourth business day after the day of your deposit.

### **Deposits at Automated Teller Machines or Mobile Check Deposit**

Funds from any deposits (cash or checks) made via mobile check deposit or at a Flagstar automated teller machine (ATM) we own or operate may not be available until the second business day after the day of your deposit with \$200.00 availability immediately after deposit. The other sections for same-day and next-day availability noted above do not apply for these types of deposits.

All ATMs that we own or operate are identified as our machines.

## **SUBSTITUTE CHECKS AND YOUR RIGHTS**

### **Definitions for Reference**

Calendar day is defined as all days in a month including weekends and holidays. Calendar days are noted as "day(s)."

Business day is defined as Monday through Friday, excluding federal holidays. Please review other disclosures carefully because Business Days may be defined differently in other sections.

## What is a substitute check?

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check stated: "This is a legal copy of your check. You can use it in the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

## What are my rights regarding substitute checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think we withdrew the wrong amount from your account or withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount withdrawn from your account and fees charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You are also entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute, you may be able to recover additional amounts under the law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 days after we receive your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

## How do I make a claim for a refund?

If you believe you have suffered a loss relating to a substitute check you received and was posted to your account, please contact us at:

Flagstar Bank  
Item Processing Department  
301 West Michigan Avenue  
Jackson, MI 49201  
(888) 248-6423

You must contact us within 40 days of the date we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing the substituted check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

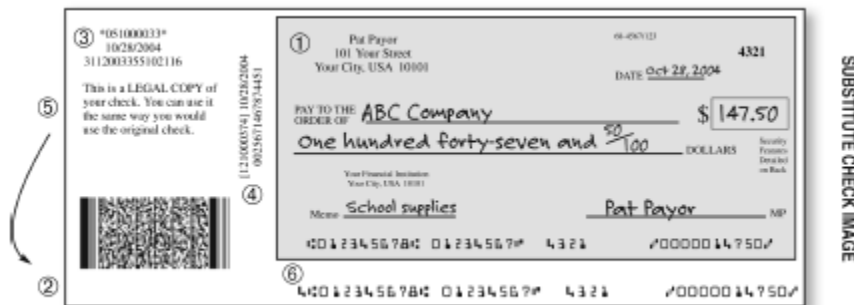
Your claim must include:

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;

- An explanation of why the substitute check you received is insufficient to confirm you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check:
  - the check number,
  - the amount of the check,
  - the date of the check,
  - the name of the person to whom you wrote the check, and
  - the account Number

## Substitute Check Image

Below is an image of a sample substitute check. The numbers listed below the image correspond with the numbers on or near the substitute check image and the corresponding text explains the various components of a substitute check.



1. An image of the original check appears in the upper right-hand corner of the substitute check.
2. A substitute check is the same size as a standard business check.
3. The information in asterisks relates to the "reconverting bank" the financial institution that created the substitute check.
4. The information in brackets (appears sideways facing the check image) relates to the "truncated bank" the financial institution that took the original check out of the check processing system.
5. The Legal Legend states: *This is a LEGAL COPY of your check. You can use it the same way you would use the original check.*
6. The MICR lines at the bottom of the image of the original and at the bottom of the substitute check are the same except for the "4" at the beginning of the MICR line on the substitute check, which indicates it is a substitute check being moved forward for collection purposes. It is also possible for the MICR line on the substitute check to begin with a "5" if the item is being returned. The rest of the MICR line is the same as the original check to ensure it is processed as though it were the original.



## TRUTH IN SAVINGS DISCLOSURE

This disclosure contains information about terms, fees, and interest rates for the Internet accounts we offer.

### SimplyChecking

**Rate Information** – This account does not earn interest.

**Minimum balance to open the account** – An initial deposit of \$50.00 is required to open this account.

**Statements** – Statements can be delivered and requested through online banking with this account at no charge. A \$2.00 fee will be imposed each month a paper statement is mailed to you.

### SimplyPlus Checking

**Rate Information** – Your interest rate and annual percentage yield may change.

**Frequency of rate changes** – We may change the interest rate on your account at any time.

**Determination of rate** – At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to open the account** – You must deposit \$50.00 to open this account.

**Minimum balance to avoid imposition of service charge** – A maintenance service charge of \$10.00 will be imposed every statement cycle if the average daily collected balance in the checking account is less than \$1,000.00 or the combined average daily collected balance of all Flagstar linked personal checking (including this account), savings, money market, IRA and certificate of deposit accounts is less than \$5,000.00. Some accounts may not be eligible in the combined average daily collected balance requirement based on titling structure, product type or other constraints. The minimum balance service charge will be waived on accounts whose primary owner is age 50 years or older.

**Daily balance computation method** – We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the first business day after the business day you deposit non-cash items (for example, checks).

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

## SimplyMax Checking

**Rate Information** – Your interest rate and annual percentage yield may change.

**Frequency of rate changes** – We may change the interest rate on your account at any time.

**Determination of rate** – At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to open the account** – You must deposit \$50.00 to open this account.

**Minimum balance to avoid imposition of a service charge** – A maintenance service charge of \$25.00 will be imposed every statement cycle if the average daily collected balance in the checking account is less than \$5,000.00 or the combined average daily collected balance of all Flagstar linked personal checking (including this account), savings, money market, IRA and certificate of deposit accounts is less than \$25,000.00. Some accounts may not be eligible in the combined average daily collected balance requirement based on titling structure, product type or other constraints.

**Daily balance computation method** – We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on non-cash deposits** – Interest begins to accrue on the first business day after the business day you deposit noncash items (for example, checks).

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

## Express Checking Account

**Rate Information** – Your interest rate and annual percentage yield may change.

**Frequency of rate changes** – We may change the interest rate on your account at any time.

**Determination of rate** – At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to open the account** – You must deposit \$1.00 to open this account.

**Minimum balance to avoid imposition of service charge** – There is no minimum balance requirement.

**Daily balance computation method** – We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the first business day after the business day you deposit noncash items (for example, checks).

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

**This account is offered through the Internet channel only.**

## SimplyOne Account

**Rate Information** – This account does not earn interest.

**Minimum balance to open the account** – An initial deposit of \$1.00 is required to open this account.

**Statements** – Statements can be delivered and requested through online banking with this account at no charge. A \$1.00 fee will be imposed each month a paper statement is mailed to you.

**Transaction Limitations** –

Checks – Checks cannot be written against this account

ATM Card – Only ATM Card PIN transactions are allowed

**Daily ATM Card PIN transaction limits** –

\$200 ATM withdrawal limit

\$1,500 point-of-sale (PIN transaction) limit

\$1,700 aggregated maximum total transactions

**Outgoing wires** – Outgoing wires are not allowed from this account

**Bounce Protection** – Bounce Protection is not available with this account.

**Fees** –

**Monthly Maintenance Service Charge** – A \$1.00 service fee will be charged every month. This fee cannot be waived.

**Non-Flagstar ATM Transaction Fee** – There is a \$1.00 fee for using ATMs we do not own or operate.

**Money Order** - \$1.00 per money order

**ATM Deposit Availability** – Zero immediately available on checks deposited through the ATM. Full deposit of checks available no later than the second business day after the funds are deposited. However, if you make a deposit on a day we are not open, we will consider the deposit to be made on the next business day we are open.

**This account is only available at your local branch, it is not offered through the internet channel.**

## SimplySavings

**Rate Information** – Your interest rate and annual percentage yield may change.

**Frequency of rate changes** – We may change the interest rate on your account at any time.

**Determination of rate** – At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to open the account** – There is no minimum balance required to open in branch. \$1.00 minimum to open online.

**Minimum balance to avoid imposition of service charge** – A maintenance service charge of \$3.00 will be imposed every month if the average daily collected balance in the account falls below \$300.00. The monthly service charge will be waived if the account is linked to any Flagstar personal checking account. This fee will not apply on accounts whose primary owner is 18 years of age or under.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the first business day after the business day you deposit noncash items (for example, checks).

**Fees** – An excess withdrawal fee of \$10.00 may be charged for each preauthorized, automatic, online or telephone transfer or withdrawal or check or POS withdrawal in excess of six during a calendar month.

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

## SimplyMax Savings

**Rate Information** – Your interest rate and annual percentage yield may change.

**Frequency of rate changes** – We may change the interest rate on your account at any time.

**Determination of rate** – At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to open the account** – There is no minimum balance required to open in branch. \$1.00 minimum to open online.

**Minimum balance to avoid imposition of service charge** – A maintenance service charge of \$25.00 will be imposed every month the average daily collected balance in the account is less than \$25,000.00. The monthly service charge will be waived if the account is linked to any Flagstar personal checking account.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the first business day after the business day you deposit noncash items (for example, checks).

**Fees** – An excess withdrawal fee of \$10.00 may be charged for each preauthorized, automatic, online or telephone transfer or withdrawal or check or POS withdrawal in excess of six during a calendar month.

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

## SimplyKids Savings

**Rate Information** – Your interest rate and annual percentage yield may change.

**Frequency of rate changes** – We may change the interest rate on your account at any time.

**Determination of rate** – At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to open the account** – There is no minimum balance required to open in branch.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the first business day you deposit noncash items (for example, checks).

**Fees** – An excess withdrawal fee of \$10.00 may be charged for each preauthorized, automatic, online or telephone transfer or withdrawal or check or POS withdrawal in excess of six during a calendar month.

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

**Account limitations** – There is a limit of one account per primary owner (SSN). On the primary owner's 23<sup>rd</sup> birthday, the account will convert to SimplySavings.

**SimplyKids Savings is offered through the branch only.**

## Vacation/Holiday Club Account

**Rate Information** – Your interest rate and annual percentage yield may change.

**Frequency of rate changes** – We may change the interest rate on your account at any time.

**Determination of rate** – At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the first business day after the business day you deposit noncash items (for example, checks).

**Fees** – An excess withdrawal fee of \$10.00 may be charged for each preauthorized, automatic, online or telephone transfer or withdrawal or check or POS withdrawal in excess of six during a calendar month.

For Holiday Club, annual account funds are paid out and mailed to account owner(s) during the last two weeks of October. Any other withdrawal for emergency use only.

For Vacation Club, annual accounts funds are paid out and mailed to account owner(s) during the last two weeks of March. Any other withdrawal for emergency use only.

**Vacation/Holiday Club is offered through the branch only.**

## IRA Savings

**Rate Information** – Your interest rate and annual percentage yield may change.

**Frequency of rate changes** – We may change the interest rate on your account at any time.

**Determination of rate** – At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to open the account** – \$50.00 initial deposit is required at time account is established.

**Minimum balance to avoid imposition of service charge** – There is no minimum balance required for this account.

**Daily balance computation method** – We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the first business day after the business day you deposit noncash items (for example, checks).

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

Please see your Individual Retirement Account (IRA) disclosures for additional information. All IRAs are subject to IRS Regulations.

**IRA Savings is offered through the branch only.**

## Health Savings Account

**Rate Information** – Your interest rate and annual percentage yield may change.

**Frequency of rate changes** – We may change the interest rate on your account at any time.

**Determination of rate** – At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to open the account** – \$50.00 initial deposit is required at time account is established.

**Minimum balance to avoid imposition of service charge** – A service charge of \$5.00 will be imposed every month if the average daily collected balance in the account is below \$500.00

**Daily balance computation method** – We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the first business day after the business day you deposit noncash items (for example, checks).

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

Please see your Health Savings Account (HSA) disclosures for additional information. All HSAs are subject to IRS Regulations.

**Health Savings is offered through the branch only.**

## Elite Savings

**Rate Information** – Your interest rate and annual percentage yield may change.

**Frequency of rate changes** – We may change the interest rate on your account at any time.

**Determination of rate** – At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to open the account** – \$0

**Minimum balance to avoid imposition of service charge** – If your average daily collected balance falls below \$50,000.00 for any statement cycle, your account will be subject to a maintenance service charge of \$35.00 for that statement cycle. The maintenance service charge will be waived if the account is linked to any Flagstar personal checking account.

The average daily collected balance is calculated by adding the collected balance in the account for each day of the period and dividing that figure by the number of days in the period.

**Daily balance computation method** – We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the first business day after the business day you deposit noncash items (for example, checks).

**Fees** – An excess preauthorized withdrawal fee of \$10.00 may be charged for each preauthorized, automatic, online or telephone transfer or withdrawal or check or POS withdrawal in excess of six during a calendar month.

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

**Account restrictions** – Not available for businesses or public units. Rates available only on Promotional Savings accounts opened in conjunction with this offer. Limit one account per customer. Funds may not currently be on deposit with Flagstar Bank.

## SimplySavings Promo 1.15%

Effective March 10, 2016

### Rate information

Promotional 1.15% APY is guaranteed for the initial 12 Months. Rates are accurate as of March 10, 2016.

AccountName	Simply Savings Promo Interest Rate	BalanceTiers	Annual Percentage Yield (APY)
SimplySavings Promo 1.15%	1.14%	No Tiers	1.15%

After the twelve month promotional period, your account will move to the SimplySavings account. Balances will earn the interest rate in effect at that time and may change at any time without notice.  
**Minimum Balance to open** - No minimum opening balance required to open in branch. \$1.00 minimum to open online.

**Minimum balance to avoid imposition of service charge** – There is no minimum balance requirement.

**Compounding and crediting frequency** - Interest will be compounded every month. Interest will be credited to your account every month.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** - Interest begins to accrue on the first business day after the banking day you deposit noncash items (for example, checks).

**Fees** - An excess withdrawal fee of \$10.00 may be charged for each preauthorized, automatic, online or telephone transfer or withdrawal or check or POS withdrawal in excess of six during a calendar month.

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

**Account restrictions** - Not available for businesses or public units. Rates available only on Promotional Savings accounts opened in conjunction with this offer. Limit one promotional savings account per customer. Funds may not currently be on deposit with Flagstar Bank.

## Max Savings Promo 1.15%

Effective March 10, 2016

### Rate information

Promotional 1.15% APY is guaranteed for the initial 12 Months. Rates are accurate as of March 10, 2016.

AccountName	Max Savings Promo Interest Rate	BalanceTiers	Annual Percentage Yield (APY)
Max Savings Promo 1.15%	1.14%	No Tiers	1.15%

After the twelve month promotional period, your account will move to the Simply Max Savings account. Balances will earn the interest rate in effect at that time and may change at any time without notice.

**Minimum Balance to open** - No minimum opening balance required to open in branch. \$1.00 minimum to open online.

**Minimum balance to avoid imposition of service charge** – There is no minimum balance requirement.

**Compounding and crediting frequency** - Interest will be compounded every month. Interest will be credited to your account every month.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** - Interest begins to accrue on the first business day after the banking day you deposit noncash items (for example, checks).

**Fees** - An excess withdrawal fee of \$10.00 may be charged for each preauthorized, automatic, online or telephone transfer or withdrawal or check or POS withdrawal in excess of six during a calendar month.

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

**Account restrictions** - Not available for businesses or public units. Rates available only on Promotional Savings accounts opened in conjunction with this offer. Limit one promotional savings account per customer. Funds may not currently be on deposit with Flagstar Bank.

## Elite Savings Promo 1.15%

Effective March 10, 2016

### Rate information

Promotional 1.15% APY is guaranteed for the initial 12 Months. Rates are accurate as of March 10, 2016.

AccountName	Elite Savings Promo Interest Rate	BalanceTiers	Annual Percentage Yield (APY)
Elite Savings Promo 1.15%	1.14%	No Tiers	1.15%

After the twelve month promotional period, your account will move to the Elite Savings account. Balances will earn the interest rate in effect at that time and may change at any time without notice.

**Minimum Balance to open** - No minimum opening balance required to open in branch. \$1.00 minimum to open online.

**Minimum balance to avoid imposition of service charge** – There is no minimum balance requirement.

**Compounding and crediting frequency** - Interest will be compounded every month. Interest will be credited to your account every month.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** - Interest begins to accrue on the first business day after the banking day you deposit noncash items (for example, checks).

**Fees** - An excess withdrawal fee of \$10.00 may be charged for each preauthorized, automatic, online or telephone transfer or withdrawal or check or POS withdrawal in excess of six during a calendar month.

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

**Account restrictions** - Not available for businesses or public units. Rates available only on Promotional Savings accounts opened in conjunction with this offer. Limit one promotional savings account per customer. Funds may not currently be on deposit with Flagstar Bank.

## Express Savings Account

**Rate Information** – Your interest rate and annual percentage yield may change.

**Frequency of rate changes** – We may change the interest rate on your account at any time.

**Determination of rate** – At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.



**Minimum balance to open the account** – You must deposit \$1.00 to open this account.

**Minimum balance to avoid imposition of service charge** – There is no minimum balance requirement.

**Daily balance computation method** – We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the first business day after the business day you deposit noncash items (for example, checks).

**Fees** – An excess withdrawal fee of \$10.00 may be charged for each preauthorized, automatic, online or telephone transfer or withdrawal or check or POS withdrawal in excess of six during a calendar month.

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

**This account is offered through the Internet channel only.**

## SimplyMoney Market

**Rate Information** – Your interest rate and annual percentage yield may change.

**Frequency of rate changes** – We may change the interest rate on your account at any time.

**Determination of rate** – At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to open the account** – There is no minimum balance required to open in branch. \$1.00 minimum to open online.

**Minimum balance to avoid imposition of service charge** – A maintenance service charge of \$10.00 will be imposed every statement cycle the average daily collected balance in the account is less than \$5,000.00. The monthly service charge will be waived if the account is linked to any Flagstar personal checking account.

**Daily balance computation method** – We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the first business day after the business day you deposit noncash items (for example, checks).

**Fees** – An excess withdrawal fee of \$10.00 may be charged for each preauthorized, automatic, online or telephone transfer or withdrawal or check or POS withdrawal in excess of six during a calendar month.

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

## Express Money Market

**Rate Information** – Your interest rate and annual percentage yield may change.

**Frequency of rate changes** – We may change the interest rate on your account at any time.

**Determination of rate** – At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to open this account** – You must deposit \$1.00 to open this account.

**Minimum balance to avoid imposition of service charge** – There is no minimum monthly balance requirement.

**Daily balance computation method** – We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the first business day after the business day you deposit noncash items (for example, checks).

**Fees** – An excess withdrawal fee of \$10.00 may be charged for each preauthorized, automatic, online or telephone transfer or withdrawal or check or POS withdrawal in excess of six during a calendar month.

**Interest accrual upon account closure** – Interest accrues up to the business day that you close your account and is credited when the account is closed.

**This account is offered through the Internet channel only.**

## Certificates of Deposit

**Minimum balance to open the account** – You must deposit \$500.00 to open this account.

**Daily balance computation method** – We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit non-cash items (for example, checks).

**Transaction limitations** –

- You may not make any deposits into your account before maturity.
- You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal.
- You can only withdraw interest credited in the term before maturity of that term without penalty. You can withdraw interest any time during the term of crediting after it is credited to your account.

**Early withdrawal penalties** – A penalty on the amount withdrawn may be imposed for withdrawals before maturity if your certificate of deposit has a term of:

- 7 – 29 days: The penalty we impose will be 7 days of interest, whether the interest is earned or unearned.
- 30 – 179 days: The penalty we impose will be 30 days of interest, whether the interest is earned or unearned.
- 180 – 364 days: The penalty we impose will be 90 days of interest, whether the interest is earned or unearned.
- 12 – 35 months: The penalty we impose will be 180 days of interest, whether the interest is earned or unearned.
- 36 – 120 months: The penalty we impose will be 364 days of interest, whether the interest is earned or unearned.
- In certain circumstances, such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty.

**Withdrawal of interest prior to maturity** – The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Automatically renewable time account** – This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within any grace period mentioned below) or we receive written notice from you within any grace period mentioned below. We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, interest will not accrue after final maturity.

- Each renewal term will be the same as the original term, except for the 13 Month CD Campaign Offer products, which will renew for 12-Month terms, beginning on the maturity date. The interest rate will be the same we offer on new time deposits on the maturity date which have the same term, minimum balance (if any) and other features as the original time deposit.
- On all certificate of deposit accounts, you will have ten calendar days after maturity to withdraw the funds without a penalty.

**Fees** – An ownership change fee of \$25.00 will be imposed when ownership of an account has been changed. Fees could reduce earnings on the account.

## FEE SCHEDULE

The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account.

Fees are assessed each Business Day, where applicable. Business Days are defined as Monday through Saturday, excluding federal holidays, for any fees listed, unless otherwise noted. Please review other disclosures carefully because Business Days may be defined differently in other sections.

Calendar Day is defined as all days in a month including weekend and holidays. Calendar days are notes as "day(s)."

### COLLECTIONS

Cashier's check (each)	\$7.00
Counter check (each)	\$1.00
Money Order (each)	\$5.00
Traveler's checks, one signature (checking account holder)	No Charge
Traveler's checks, one signature (per \$100)	\$2.00
On-us check cashing fee, non-customer (each)	\$5.00
Incoming Wire, Domestic, customer (each)	\$10.00
Incoming Wire, International, customer (each)	\$15.00
Outgoing Wire, Domestic, customer (each)	\$30.00
Outgoing Wire, International, customer (each)	\$45.00
Bond coupon redemption (per envelope)	\$5.00
Incoming Collection, Domestic (each)	\$20.00
Outgoing Collection, Domestic (each)	\$40.00
Incoming Collection, Foreign (each)	\$40.00
Outgoing Collection, Foreign (each)	\$40.00
Account closed within 180 days of opening (each)	\$15.00
Returned deposited check charge (each)	\$12.00
Coin charge (each)	7.5%
Check printing orders	Dependant on type of checks ordered
Amortization schedule (each)	\$20.00
Direct deposit	No Charge
Chargeoff fee (each)	\$30.00

## RESEARCH AND ADMINISTRATION

Stop Payments (each) \$36.00

Non-Sufficient Funds (NSF) Charge (each) \$36.00

A charge for an overdraft or returned item for all checking, money market, and savings accounts other than SimplyOne. There is a combined limit of five Non-Sufficient Funds Charges per business day.

An overdraft item is charged when the item is paid. This is also charged for Bounce Protection Activation.

A returned item (also known as Insufficient Funds or Uncollected Funds [UCF]) is charged when the item is returned unpaid.

Consecutive Days Overdrawn (OD) fee - Beginning on day 35, the Consecutive Days Overdrawn fee will be charged each business day the account is negative\*\*\* \$6.00

\*\*\*Applies only to accounts that are \$10 or more overdrawn in the negative. Also, the Consecutive Days Overdrawn fee does not apply to the SimplyOne accounts.

Deposit Overdraft (OD) Protection transaction fee (per transfer between eligible deposit accounts) \$10.00

Levy, garnishment, child support or other legal action (each) \$100.00

Account inactivity fee (per month) \$10.00

An account is inactive if no deposits or withdrawals have been made for six months. This fee does not apply to CDs, IRAs, Money Markets or Minor Savings. The fee will only be charged on our other deposit accounts as described below:

Personal Checking: Fee is charged on accounts with a balance of less than \$1,000.00

Personal Savings: Fee is charged on accounts with a balance of less than \$100.00

Escheated/Dormant account fee (each) \$50.00

An account is dormant if no deposits or withdrawals have been made in three years

Special statement (each) \$5.00

Account research, per hour charge (1 hour minimum) \$30.00

Account activity printout (each) \$5.00

Reconcile bank statement, per hour charge (1 hour minimum charge) \$30.00

Copy of check (each) \$2.00

Photocopy, each page \$1.00

Notary service, customer (each) No Charge

Ownership change fee (each account) \$25.00

Excess debits fee (each) for Money Market and Savings accounts \$10.00

### **ELECTRONIC SERVICES**

Flagstar ATM Withdrawal, Deposit, Balance Inquiry, Transfer (each)	Free
Allpoint and Presto! ATM network transactions	Free
Cash-back at POS	Free
Non-Flagstar Domestic ATM Withdrawal, Balance Inquiry, Transfer (each)	\$2.50
Non-Flagstar International ATM Withdrawal, Balance Inquiry, Transfer (each)	\$2.50
Exchange Rate Adjustment (Currency Conversion Factor) - POS or ATM	3%
Additional or replacement ATM/Debit card (each)	\$5.00
Expedited Debit Card Delivery (each)	\$50.00
Popmoney - Next Day Delivery (each)	\$1.00
Bank to Bank - Next Day Outbound (each)	\$2.00
Bill Pay Expedited Payment (each)	\$4.00
Overnight Check Fee	\$16.00

### **RETIREMENT ACCOUNTS**

Retirement Plan Fee (IRA & SEP and HSA annual administration)	\$5.00
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### **SAFE DEPOSIT BOXES**

Annual rental, where available

2" x 5"	\$25.00
3" x 5"	\$30.00
5" x 5"	\$45.00
3" x 10"	\$50.00
5" x 10"	\$70.00
10" x 10"	\$125.00
One lost key	\$50.00
Two lost keys	cost to drill
Safe deposit box late payment (after 30 days)	\$10.00

### **NIGHT DROP**

Nylon locking bag (each)	\$25.00
Vinyl, non-locking bag (each)	\$5.00
Hold night drop bag (each per day)	\$2.00
Disposable night drop bags (pack of 10)	\$2.00

Address changes on accounts will be authorized if Flagstar Bank receives notification from either the account owner or the United States post office.