

# **Patriot Act**

## **What the law requires**

### **Customer identification for new accounts**

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 to you**

When you open an account, we will ask for your name, address, date of birth, your driver's license number or other identifying documents. The definition of an account covers a broad range of financial transactions, such as a deposit account, loan or similar type of service.

You can rest assured you will only be asked for information required by the law. The information will be used only for purposes of complying with the law. In all cases, protection of your identity and confidentiality is the Credit Union's pledge to you.

We appreciate your understanding and help in this critical national effort.

## **Information Procedures**

### **The security standard**

In order to provide our members with a broad range of financial products and services as effectively and conveniently as possible, we use the latest technology to manage and maintain member information.

The following policy serves as a standard for all South Central Credit Union employees for the collection, use, retention, and security of nonpublic\* personal information.

- What information we collect
- What information we disclose
- Our security procedures
- What you can do
- Reducing the amount of advertising you receive

### **What information we collect**

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other loan and account forms
- Information about your transactions with us or others
- Information we receive from third parties, such as credit bureaus

### **What information we disclose**

We're permitted under law to disclose nonpublic personal information about you to other third parties under certain circumstances. For example, we may disclose nonpublic information about you to third parties to assist us in servicing your SCCU loan or account, to government entities in response to subpoenas, and to credit bureaus. We do not disclose any nonpublic personal information about you to anyone, except as permitted by law.

We are committed to providing you with competitive products and services to meet your financial needs, which necessitate that we share information about you to complete your transactions and to provide you with certain financial opportunities. In order to do so, we have entered into agreements with other companies that provide either service to us or additional financial products for you to consider.

Under these arrangements, we may disclose all of the information we collect, as described above, to companies that perform marketing or other services on our behalf or to other financial institutions with whom we have joint marketing agreements. To protect our member's privacy, we only work with companies that agree to maintain strong confidentiality protections and limit the use of information we provide. We restrict these companies to using information only for the reason we have given it to them, and for no other purpose.

We may also disclose information we collect about you under other circumstances as permitted or required by law. These disclosures typically include information to process transactions on your behalf, conduct the operations of our Credit Union, and follow your instructions as you authorize, or protect the security of our financial records. If you decide to close your account(s) or become an inactive member, we will continue to adhere to the privacy policies and practices described in this notice and will not share information we have collected about you, except as permitted or required by law.

### **Our security procedures**

We also take steps to safeguard member information. We restrict access to your personal account information to only those employees who need to know that information in order to provide products or services to you.

We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

If you ever have questions or concerns about the integrity of your account information, please call us at (517) 787-2220, or write to us at PO Box 27, Jackson, MI 49204.

## **What you can do**

For your protection, we recommend you do not provide your account information, user name or password to anyone. If you become aware of any suspicious activity relating to your account, please contact us immediately.

## **Reducing the amount of advertising you receive**

If you would like to reduce the amount of advertising you receive from companies outside South Central Credit Union, send a written request with your name, address and telephone number to:

South Central Credit Union  
PO Box 27  
Jackson, MI 49204

\* "Nonpublic personal information" is nonpublic information about you that we obtain in connection with a financial product or service that we provide to you. For example, nonpublic personal information includes information regarding your account balance, payment history and overdraft history.

## **Password protections for online transactions**

When using the CU's online services, you create a secret password that only you should know. Encryption of online transactions with South Central Credit Union converts your information into secure code, protecting you against hackers. However, as you know no one system is completely safe from hackers.

## **Maximum security depends on you**

What you can do to stop these crimes before they happen:

- **Do not give out financial information** such as checking and credit card numbers, or your Social Security number, unless you know the person or organization.
- **Report lost or stolen checks immediately.** South Central Credit Union will block payment on them.
- **Notify South Central Credit Union of suspicious phone inquiries** such as those asking for account information to "verify a statement" or "award a prize."
- **Closely guard your ATM/DC Personal Identification Number** and receipts.
- **Shred any financial solicitations** and CU statements before disposing of them.
- **Put outgoing mail** into a secure, official Postal Service collection box.
- **If regular bills fail to reach you,** call the company to find out why.
- **If your bills include questionable items** don't ignore them. Instead, investigate immediately to head off any possible fraud.
- **Periodically contact the major credit reporting companies** to review your file and make certain the information is correct.

# Paper Checks in a Digital World

## Understanding Check 21 legislation

### Q. What is Check 21?

A. Simply stated, Check 21 legislation allows banks to replace original paper checks with substitute checks made from digital images of the originals.

### Q. Why was Check 21 created?

A. Check 21 was created to reduce the time, security risks and costs associated with paper check processing and transportation. Traditionally, banks relied on physical transportation, such as planes and trucks, to deliver checks between banks for payment. Check 21 allows original paper checks to be removed from the collection process and replaced with substitute checks created from digital image files. Banks can send these check images electronically, reducing dependence on transportation that can be affected by uncontrollable delays such as weather or natural disasters.

### Q. What does Check 21 do?

A. Check 21 streamlines and improves check processing without requiring customers to change the way they write checks. It simply requires banks and customers to accept paper reproductions of original checks. These reproductions are called substitute checks.

### Q. What is a substitute check?

A. A substitute check is created by a CU and is a paper reproduction of a digital image of an original check. The substitute check contains an image of the front and back of the original check and conforms to banking industry standards for quality.



This is an example of a substitute check. Your substitute check may appear differently.

### Q. Do I have to accept substitute checks as proof of payment?

A. Yes. Once a paper check is converted into a substitute check it becomes the legal equivalent of the original paper check. Any CU or person must accept substitute checks as if they were the original checks.

**Q. Which checks are eligible to become substitute checks?**

**A.** All checks are eligible for conversion to a substitute check including, but not limited to, consumer checks, money orders and travelers checks.

**Q. What happens to my original check?**

**A.** Since there are no requirements governing the retention of original checks they may be destroyed once digital images of the checks have been made. A substitute check made from a digital image becomes the legal substitute for proof of payment.

**Q. Am I allowed to opt out of Check 21?**

**A.** No. Check 21 legislation went into effect in October 2004. It now applies to all financial institutions and their customers. There are no opt-out exceptions.

**Q. When will I encounter substitute checks under Check 21?**

**A.** After October 28th, 2004, you can expect the following:

If you have online access to your account transactions, images of your checks and substitute checks will be available for viewing.

**Q. Are there transactions in which my check will not be converted to a substitute check?**

**A.** Yes. Some companies, a cellular provider or a department store, for example, may choose to turn the paper checks they receive from you into electronic transactions. This happens when a paper check is converted into electronic information that is sent to your CU for payment. Since the CU does not receive your original paper check, no substitute check is made. There are two ways you may have your paper check turned into an electronic transaction:

- **Accounts Receivable Conversion (ARC).** This transaction occurs when you use a check to pay a bill, such as a utility bill, and the company converts your check into an electronic transaction that is sent to your CU for payment. Your South Central Credit Union statement will show an electronic debit in the "Detailed Checks" section. No cancelled check will be returned to you, and the company to whom you submitted your original check is required to destroy that check within 14 days. The company must also keep an image of your check on file for two years.
- **Point-of-Purchase (POP).** This transaction happens at the time you write a check for an over-the-counter purchase. Once the cashier swipes the check through a device to capture account information, the transaction is cleared for payment. The voided check is then returned to you by the cashier. Your signature authorizing the transaction is usually required on a register receipt and the merchant must keep it on file for two years.

**Q. What other impact will Check 21 have?**

**A.** With Check 21, checks will be processed more quickly, which may result in funds being withdrawn from your account sooner than before Check 21 was enacted.

**For more information**

Since Check 21 regulations are evolving, you can be assured South Central Credit Union will keep you posted throughout the year. **Call (517) 787-2220 for more information.**

**Important information about procedures for opening or changing an account with South Central Credit Union**

Section 326 of the USA PATRIOT ACT requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account or changes an existing account. This federal requirement applies to all new customers and current customers. This information is used to assist the United States government in the fight against the funding of terrorism and money-laundering activities.

What this means to you: when you open an account or change an existing account, we will ask each person for their name, physical address, mailing address, date of birth, and other information that will allow us to identify them. We will ask to see each person's driver's license and other identifying documents and copy or record information from each of them.

**Identity Theft**

If you are concerned that someone has unauthorized access to your personal information, please call us immediately at 517-787-2220 so we can take steps to help protect you. You should also consider reporting your concerns to:

- Local law enforcement officials
- The Federal Trade Commission identity theft hotline at 877-ID-THEFT.
- The Social Security Administration fraud hotline at 800-269-0271.
- Your credit card companies - knowing where to find your credit card information and toll-free contact numbers will help in an emergency.
- National credit reporting organizations that can place a fraud alert on your name and Social Security Number.
- Equifax: 800-525-6285
- Experian: 888-397-3742
- Trans Union: 800-680-728

Additional information regarding identity theft is available at <http://www.ftc.gov/bvc/online/pubs/credit/idtheft.htm>

Fraud Resources

<http://www.consumer.gov/idtheft/>

<http://www.idtheftcenter.org/index.shtml>

### **Important Information and 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 at SCCU, we will ask for your:

- \* Legal Name and Current Address
- \* Date of Birth
- \* Taxpayer ID Number
- \* Any other information that will allow us to identify you

We will also ask to see your:

- \* Drivers License
- \* Or other identifying documents

We appreciate your patience and cooperation

**SOUTH CENTRAL CREDIT UNION**  
Real People, Real Service



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