

FUNDS AVAILABILITY POLICY DISCLOSURE

MCS Bank
P.O. Box 711
LEWISTOWN, PA 17044-0711

PURPOSE OF THIS DISCLOSURE. Our general policy is to allow you to withdraw funds deposited in a transaction account on the day of deposit. Funds from electronic direct deposits will be available on the day we receive the deposit. In some cases, we may delay your ability to withdraw funds beyond the day of deposit. Our complete policy is summarized below.

For purposes of this disclosure, the terms "you"/"your" refer to the customer and the terms "our"/"we"/"us" refer to MCS Bank.

Generally, transaction accounts are accounts which would permit an unlimited number of payments by check to third persons, and also an unlimited number of telephonic and preauthorized transfers to third persons or other accounts you may have with us.

DETERMINING THE AVAILABILITY OF YOUR DEPOSIT. The length of the delay varies depending on the type of deposit and is explained below. When we delay your ability to withdraw funds from a deposit, you may not withdraw the funds in cash, and we will not pay checks you have written on your account by using these funds. Even after we have made funds available to you and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

When we delay your ability to withdraw funds, the length of the delay is counted in Business Days from the day of your deposit. The term "Business Day" means any day other than a Saturday, Sunday or federally declared legal holiday, and the term "Banking Day" means that part of any Business Day on which we are open to the public for carrying on substantially all of our banking functions.

If you make a deposit before the close of business on a Business Day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after the close of business or on a day that we are not open, we will consider the deposit made on the next Business Day we are open.

SAME DAY AVAILABILITY. Our policy is to make funds from cash, checks, and electronic direct deposits available to you on the same day that we receive your deposit. At that time, you can withdraw the funds in cash, and we will use the funds to pay checks that you have written.

LONGER DELAYS MAY APPLY. In some cases, we will not make all of the funds that you deposit by check available to you according to the previously stated availability schedule. Depending on the type of check that you deposit, funds may not be available until the second Business Day after the day of your deposit. The first \$225.00 of your deposits, however, may be available on the first Business Day after the day of deposit.

If we are not going to make all of the funds from your deposit available to you according to the previously stated availability schedule, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

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

- (a) if we believe a check you deposit will not be paid;
- (b) if you deposit checks totaling more than \$5,525 on any one day;
- (c) if you redeposit a check that has been returned unpaid;
- (d) if you have overdrawn your account repeatedly in the last six months; or
- (e) if an emergency condition arises that would not enable us to make the funds available to you, such as the 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 7 Business Day after the day of your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

HOLDS ON OTHER FUNDS FOR CHECK CASHING. If we cash a check for you that is drawn on another financial institution, 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.

HOLDS ON OTHER FUNDS IN ANOTHER ACCOUNT. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

SPECIAL RULES FOR NEW ACCOUNTS. If you are a new customer, the following special rules may apply during the first 30 days your account is open.

Same Day Availability. Funds from cash*, wire transfers, and electronic direct deposits made to your account will be available on the day we receive the deposit. In addition, the first \$5,525 of a day's total deposits of:

- U.S. Treasury checks**
- U.S. Postal Service money orders**
- State or Local Government checks**
- Cashier's, Certified, or Teller's checks**
- Traveler's Checks**

will also be available the day of deposit.

Next Day Availability. Funds from the first \$5,525 of a day's total deposits of:

- Federal Reserve Bank or Federal Home Loan Bank checks**
- checks drawn on us

are available on the first Business Day after the day of your deposit.

Funds Exceeding \$5,525. The excess over \$5,525 of a day's total check deposits will be available on the ninth (9) Business Day after the day of your deposit.

Other Check Deposits. Funds from all other check deposits will be available on the fifth (5) Business Day after the day of deposit.

* **Cash Deposits.** If the cash deposits are made in person to an employee of MCS Bank, then the funds will be made available on the day we receive your deposit. If they are not made in person to an employee, then the funds will be made available no later than the next Business Day after the day of your deposit.

** **Check Deposits.** Check deposits include U.S. Treasury checks; U.S. Postal Service money orders; Federal Reserve Bank or Federal Home Loan Bank checks; State or Local Government checks; Cashier's, Certified, or Teller's checks; and Traveler's checks. In order for these check deposits to be made available according to the funds availability schedule above, the following conditions are required:

U.S. Treasury Checks. These checks must be made payable to you and deposited into your account.

U.S. Postal Service Money Orders; Federal Reserve Bank or Federal Home Loan Bank Checks; State or Local Government Checks; Cashier's, Certified, or Teller's Checks; or Traveler's checks. These checks must be made payable to you, made in person to one of our employees, and deposited into your account.

If any of these conditions are not satisfied, then the first \$5,525 of a day's total check deposits will be made available no later than the second Business Day after the day of your deposit.

FOREIGN CHECKS. Checks drawn on financial institutions outside of the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds from deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which they are drawn.

DEPOSITS AT AUTOMATED TELLER MACHINES. If you make a deposit at an automated teller machine (ATM) that is owned and operated by us before 7:00 pm Eastern Time on a Business Day that we are open, we will consider the deposit made that day. However, if you make a deposit at an ATM that is owned and operated by us after 7:00 pm Eastern Time or on a day that we are not open, we will consider the deposit made on the next Business Day we are open.

IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

Substitute Checks and Your Rights

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 states: "This is a legal copy of your check. You can use it 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 that 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 that we withdrew the wrong amount from your account or that we 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 that was withdrawn from your account and fees that were 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 also are 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 check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500.00 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 calendar days after we received 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 that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us by:

Phone at: (717)248-5445 or
Mail at: MCS Bank
19 North Brown Street
Lewistown PA 17044

You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute 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 that you suffered a loss; and
- A copy of the substitute check and/or the following information to help us identify the substitute check such as the check number, the name of the person to whom you wrote the check, the amount of the check.

An expedited recredit claim must be submitted in writing. When a claim has been submitted orally, we must receive that written claim within 10 business days of the oral claim.