



**IMPORTANT!
CHANGES TO YOUR
CHECKING ACCOUNT**

<Name>
<Address>
<City, State, Zip>

Dear <name>,

September 21, 2020

We have exciting news to share!

We have completed a full review of our checking account programs and are ready to make a change starting with your Kasasa checking account. **Effective November 1, 2020 your Kasasa checking account will be automatically changed to our new flagship account called Michigan Made Checking.** There is nothing you need to do on your end, we have worked diligently to make this transition absolutely seamless for you.

We listened and learned

In 2018, as part of our planned strategies, we started a comprehensive review of our checking accounts and hosted focus groups with members and non-members to gain a better understanding of the needs and wants in a checking account today. We learned from members like you that flexibility, rewards and relationships were at the top of the list when asked what you value most in a checking account. As a treasured member, Michigan Made Checking was built with you in mind and gives you the **potential to earn more in dividends than your current account**, be rewarded for your full credit union relationship and continue to enjoy no minimum balance requirements and no monthly fee.

Key things to know

- Your account number will not change
- Your checking account suffix (0100,0110) will remain the same
- You will not need to get a new debit card OR new checks
- Your direct deposit, automatic payments or automatic withdrawals will not be impacted, they will continue to work as scheduled and you will not have to make any changes
- Nothing will change with your Overdraft Protection if you currently have the coverage

More great information enclosed

- A handy-dandy Q & A
- Your Michigan Made Checking Overview
- Your new Michigan Made Checking Account Disclosure

We hope you are as excited as we are about the ability to earn more with your relationship at CP and your new Michigan Made Checking account. Please feel free to email yourexperience@cpfederal.com with additional questions or learn more about your move to Michigan Made at cpfinancial.com on our About Us page under News & Events.

Warm Regards,

Chrissy Siders
President/CEO

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Online at cpfinancial.com



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Checking Account Change Frequently Asked Questions

For Kasasa members:

Q: Why are Kasasa accounts no longer being offered?

A: In 2018, as part of our planned strategies, we did a comprehensive review of our checking accounts and hosted focus groups with members and non-members to gain a better understanding of the needs and wants in a checking account today. We learned it is, indeed, time to update our suite of checking accounts. With the information we gained, CP Federal Credit Union created a checking account that delivers flexibility, rewards, and rivals our competitor's checking options.

Q: Did you consider the impact to members in your decision to change?

A: Absolutely, our members were at the core of this decision. We did an extensive amount of research & analysis to understand how our members would be impacted with the change from Kasasa to a new account structure. Below are key findings that helped shape our solution to accommodate our members best.

- In evaluating our current Kasasa members and their activity under the new checking account program, assuming no change in behavior, we found that no members would be significantly impacted in a negative manner by this change. In fact, this account allows members to earn more than what they're currently earning with Kasasa.
- In addition, under the Kasasa program, if you didn't hit all of the qualifications one month, you would earn 0.05% APY. Under the new checking program, you can earn 0.25% or 0.50% APY depending on other product relationships you have, without having all of the possible relationships.

Q: What are the benefits of this change?

A: There are several benefits to this change. The Kasasa checking program is a 3rd party branded account that is offered by credit unions and community banks nationwide. Each institution pays Kasasa LTD. for product support and maintenance of these accounts. With the system upgrade we completed in 2017, we gained the capabilities to create, support and maintain our own custom checking account that would be exclusive for our members. With this change, there is a significant savings on 3rd party costs we can now pass on to members in the form of higher dividend rates and enhancements in products and services. Additionally, we gain the agility to make adjustments to our account structure, be more responsive to the needs and wants of our members and remain competitive with an account that is exclusive to CP.

Q: How does the new checking account compare to the Kasasa account?

A: The new account, proudly named Michigan Made Checking, has similar benefits to the Kasasa program such as the capability to earn higher dividends as well as receive ATM fee refunds. However,



Checking Account Change Frequently Asked Questions

keep in mind that with Kasasa, it was “all or nothing.” If you didn’t qualify, you did not receive any benefits within the month. With Michigan Made Checking, there is no “all or nothing” qualification. Each month’s benefits are based on the relationship during that month, meaning you may move between different levels of benefits from one month to the next. This allows you more control over maximizing your earnings on these funds.

Q: How does the Kasasa dividend rate compare to the Michigan Made Account?

A: We learned from our member focus groups that members love dividends. So, with that information on hand, we built the Michigan Made account. The account features varying levels of dividend based on your relationship, that can earn you up to 2.25% APY, which is higher than our current Kasasa rate.

- In our analysis of the Michigan Made account in comparison with Kasasa, we’re estimating an increase of 24% in dividend payments to current Kasasa members when moved to Michigan Made checking.
- When using 12 months of Kasasa member history, on average members will earn \$14.68 more in dividends from Michigan Made than what were earned in Kasasa dividends per year.

Q: Are the ATM refunds the same?

A: The ATM refunds will work the same as they did with your Kasasa account, however with Michigan Made the ATM refunds will only be available in designated tiers.

Q: What will happen to my Kasasa Checking Account?

A: Your Kasasa Checking account will be automatically changed to our NEW Michigan Made Checking account. This account was designed as a natural transition for Kasasa members. Learn more about the Michigan Made checking account and how it works below.

Q: When will my Kasasa Checking account switch over to Michigan Made Checking?

A: The Credit Union will automatically switch your account over on November 1st, 2020. There is nothing you need to do on your end, we will do all of the heavy lifting. We have worked diligently to make this transition absolutely seamless for you.

Q: How does this move affect my dividend for the month?

A: You will receive your monthly dividends in your account(s) just like normal, before being converted to the Michigan Made Checking account.

Q: Why are the ATM fee refunds changing?

A: As with any program we assess costs and benefits and to find a balance is key. Keeping our members happy is our goal, so when we were building Michigan Made, we decided to build the ATM fee refund



Checking Account Change Frequently Asked Questions

benefit into the structure. Then, we set the fee refund to \$10.00, when considering the full program and the added opportunities to earn more dividends.

Q: I have a Kasasa Saver account too, what will happen to that account?

A: The Kasasa Saver accounts will be closed and all funds will be moved into your new Michigan Made Checking account. The new Michigan Made Checking account has dividend rate tiers that will accommodate similar dividend earnings like your current Kasasa Saver account.

Q: Will a savings account like Kasasa Saver still be available to automatically transfer the dividend?

A: Since the Kasasa Saver account will no longer be available, we will not offer an account with the automatic sweep of dividend earned. With the new Michigan Made Checking account, you could potentially earn a higher dividend than the Kasasa Saver. If you enjoyed the Kasasa Saver to separate your funds, we have many savings account options to choose from.

Savings Accounts

<u>Account</u>	<u>Dividend Rate</u>	<u>APY</u>
Regular Shares, Shares Pledged & CP Money Tree	0.10%	0.10%
Non-Interest Shares	0.00%	0.00%
Club Accounts	0.35%	0.35%
Traditional IRA	0.25%	0.25%
Roth IRA	0.25%	0.25%
Educational IRA	0.25%	0.25%
Money Market	Balances under \$5,000	0.00%
	\$5,000.01 - \$20,000	0.15%
	\$20,000.01 - \$50,000	0.20%
	\$50,000.01 & up	0.25%

Michigan Made:

Q: How does the Michigan Made account work?

A: The Michigan Made account is one account with multiple possibilities. It features reward tiers custom-fit to your CPFCU relationship. The account offers 5 reward tiers based on your total number of reward points. Reward points are earned for designated activities or product relationships and calculated during each monthly reward cycle*. Reward tiers offer varying dividend rates and the opportunity to earn ATM refunds. You have the opportunity to move to different tiers each month!



Checking Account Change Frequently Asked Questions

*"Monthly Reward Cycle" means a period beginning one (1) day prior to the first day of the current Statement Cycle through one (1) day prior to the close of the current Statement Cycle.

Q: Does the Michigan Made Account have a minimum balance requirement?

A: No, as with all of the CPFCU checking accounts, we do not require a minimum balance.

Q: Does the Michigan Made account have a monthly fee?


A: No, the account is free and there is no monthly fee with this account.

Q: How will I know which tier I'm in?

A: Each month, your statement will show the reward points you earned for that cycle, where you earned your points and notify you of the tier you are in.

Q: Will there be a maximum dollar amount for the dividend like Kasasa (\$10,001 limit)?

A: With the new Michigan Made Checking Account, the dividend rate is a tiered structure. We are excited to say, there will not be a maximum dollar amount to earn the higher dividend. The more you are able to save, the more you are able to earn in dividends. Check out the tiers in the chart below.

			Reward Tiers		
Erie	Ontario	Huron		Michigan	Superior
0-1 Point	2-3 Points	4-5 Points	POINTS EARNED EACH CYCLE	6-10 Points	11+ Points
0.00% APY	0.25% APY	0.50% APY	Balances up to \$10,000	2.00% APY	2.25% APY
0.00% APY	0.15% APY	0.25% APY	Balances \$10,001 - \$20,000	1.00% APY	1.25% APY
0.00% APY	0.05% APY	0.10% APY	Balances \$20,001 - \$999,999,999	0.35% APY	0.50% APY
X	X	X	ATM Fee Refunds	up to \$10	up to \$10

Q: If I close my checking during the month, will I still get my ATM refunds?

A: Unfortunately, in order to earn the dividend and ATM rewards, the checking account must be open at the end of the month.

Q: Can my spouse and I have each have a Michigan Made Checking?



Checking Account Change Frequently Asked Questions

A: The answer to your question is yes! With the Michigan Made Checking account, there is a limit of one account per social security number. So, you each can have your own checking account.

Q: Can I have multiple Michigan Made checking accounts?

A: No. With the Michigan Made Checking account, there is a limit of one account per social security number. We have other checking accounts available that can be another option for your checking account needs.

Q: Can I have a Michigan Made checking on my business account?

A: The Michigan Made Account was created for personal member accounts in mind. Michigan Made checking is not available for business accounts.

Q: Will ATM fee refunds only be refunded if charged to my checking account?

A: Yes, ATM withdrawal fees will be refunded only if they are charged to the checking account.

Q: If my loan or mortgage is on another account, can I still earn reward points?

A: No. Loans that are eligible to earn reward points need to be under the same account number as your Michigan Made checking account. However, we have the ability to move loans to your Michigan Made account and can do so by member request.

Q: Why does the Michigan Made checking account take into consideration additional products and services when calculating my dividend and ATM refunds?

A: The credit union recognizes the importance of each individual relationship. We created this new checking account to give reward points based on an expanded view of your credit union relationship. As a result, we are able to offer a higher dividend rate and ATM refunds.

General:

Q: Will you still offer Overdraft Protection?



Checking Account Change Frequently Asked Questions

A: Yes, nothing will change with our Overdraft Protection. If you currently have the coverage, you will on your new checking as well.

Q: Will I need to update or change my direct deposit, automatic payments, or automatic deductions?

A: Good news! No, you won't have to make any changes. The credit union will handle changing over your checking account seamlessly. Your account number and checking account suffix (0100, 0110) will remain the same.

Q: Will my current debit card continue to work?

A: Absolutely! This will be an internal change that will not impact the way your debit card works.

Q: Will I still be able to use checks that I have?

A: Absolutely! This will be an internal change that will not impact the way your checks are processed.

Q: Will my checking account number suffix (0100, 0110) change?

A: Great question! Your checking account suffix will remain the same.

Q: Will I be able to continue to see my checking account history before and after the switch?

A: Yes. You will be able to view your account history in your Home Branching and Mobile App before and after the switch.

MICHIGAN MADE CHECKING



One checking account with a depth of possibilities to earn interest each month, receive ATM fee refunds and still enjoy your favorites such as:

- No monthly fees
- No minimum balance requirements
- Free on-line account access
- Free mobile access featuring remote check deposit

How it works

Earn reward points based on select activities and product relationships you have tied to your Michigan Made Checking account. Your total number of points earned during each monthly cycle* will determine your reward tier. Michigan Made features the flexibility to earn the most out of your credit union relationship by automatically moving your Reward Tier after each monthly cycle based on your activity and total number of points.

* The monthly reward cycle is the last day of the previous month though the day before the last day of the month.

Earn Points

Activity>>>>>>> Max: 10 pts.

1 point each for
e-Statements
Use Mobile or Home Branching w/in 60 days

2 points each for
Direct Deposit/Auto bill pay
Debit Card w/ 10-24 transactions per cycle
Credit Card w/ 10-24 transactions per cycle

3 points each for
Debit Card w/ 25+ transactions per cycle
Credit Card w/ 25+ transactions per cycle

Relationships>>> Max: 6 pts.


To earn points, loans & lines of credit must be in good standing and tied to Michigan Made.

3 points for
ONE of the following:
Consumer Loan
Home Equity Loan
Line of Credit w/balance
Home Equity Line of Credit w/balance

3 points for
Mortgage Loan

Get Rewards

Michigan Made features five reward tiers. Each tier offers varying interest rates with the opportunity to earn up to 2.25% APR in dividends and \$10 ATM fee refunds on select tiers. Dive right in to your Michigan Made checking and earn more each month!



Erie	Ontario	Huron	Reward Tiers	Michigan	Superior
0-1 Point	2-3 Points	4-5 Points	POINTS EARNED EACH CYCLE	6-10 Points	11+ Points
0.00% APY	0.25% APY	0.50% APY	Balances up to \$10,000	2.00% APY	2.25% APY
0.00% APY	0.15% APY	0.25% APY	Balances \$10,001 - \$20,000	1.00% APY	1.25% APY
0.00% APY	0.05% APY	0.10% APY	Balances \$20,001 - \$999,999,999	0.35% APY	0.50% APY
X	X	X	ATM Fee Refunds	up to \$10	up to \$10

SPECIFIC TERMS APPLICABLE TO YOUR MICHIGAN MADE CHECKING ACCOUNT

Tiered Fixed Rate Information. This Account is subject to a Tiered Fixed Rate. For the current dividend rate and corresponding APY, refer to the accompanying Account Disclosure Rate Supplement which We have included with and made a part of this Disclosure.

Minimum Balance Requirements. No minimum balance requirements apply to this Account.

Transaction Limitations. No transaction limitations apply to this Account.

Additional Information. In order to earn dividends at the disclosed rate and be reimbursed for domestic ATM fees incurred (not to exceed \$10.00 in total for the qualification cycle), during each monthly qualification cycle You must earn at least 11 qualifying points. The total of qualifying points earned for a qualification cycle will be the sum of points earned through both member activity and member relationship.

Through member activity, a maximum of 10 such points may be earned during each monthly qualification cycle as follows: (i) 1 point during any period in which You consent to receive Your periodic statements electronically; (ii) 1 point during any period in which You log into Home Branching or Mobile Banking (You must have previously elected such service within 60 days of establishing Your Account); (iii) 2 points if You have at least one automatic payment (ACH) or direct deposit post and settle to Your Account as evidenced by Your monthly statement, or arrange for automatic payment on one of Your loans with Us; (iv) 2 points during any period in which You make 10 - 24 transactions that post and settle to Your Account as evidenced by Your monthly statement through the use of Your MasterCard Debit Card, or 3 points during any period in which You make 25 or more transactions that post and settle to Your Account as evidenced by Your monthly statement through the use of Your MasterCard Debit Card; (v) 2 points during any period in which You make 10 - 24 transactions that post and settle to Your Account as evidenced by Your monthly statement through the use of Your VISA Credit Card, or 3 points during any period in which You make 25 or more transactions that post and settle to Your Account as evidenced by Your monthly statement through the use of Your VISA Credit Card.

Through member relationship, a maximum of 6 such points may be earned during each monthly qualification cycle as follows: (i) 3 points during any period in which You maintain with Us an outstanding closed-end consumer loan, or outstanding closed-end home equity loan, or outstanding consumer line of credit with a principal balance due, or outstanding home equity line of credit with a principal balance due; and (ii) 3 points during any period in which You maintain with Us an outstanding closed-end mortgage loan. If You have any questions regarding which Credit Union products satisfy these requirements please contact a member service representative.

Each monthly qualification cycle will begin on the last business day of the preceding monthly statement cycle, and end on the day that immediately precedes the last day of the current month's statement cycle ("monthly qualification cycle"). Earned reimbursements will post to Your Account on the last day of each statement cycle, subject to Your meeting the qualifying criteria during the preceding qualification cycle.

GENERAL TERMS APPLICABLE TO ALL ACCOUNTS

Member in Good Standing. The Accounts described above are available to those members in good standing with the Credit Union. We reserve the right to suspend services to a member who is not in good standing, which includes members that have:

- a delinquent loan.
- a primary share Account balance below the \$5.00 minimum.
- an unresolved deposited returned check.
- unpaid and uncollected credit union fees.
- a negative balance on an Account.
- failed to comply with the terms and conditions of any lawful obligation with Us, and as a result, caused Us to suffer a financial loss.

Minimum Balance Requirements. To be a member and maintain Accounts with Us You must purchase 1 share in the Credit Union. The par value of a share in this Credit Union is \$5.00. If the balance in Your primary share Account drops below 1 share (\$5.00), at any time, We may, at Our option, close Your Account.

Nonsufficient Funds Returns. Any share draft or pre-authorized transfer, or transaction made through the use of a debit card, or other electronic means, as is applicable (including any in-person transaction), that is presented to Us for payment on Your Account

when Your Account lacks sufficient collected funds to pay any such item may, at Our option, be returned for nonsufficient funds or We may honor any such item and charge You a fee for doing so.

Overdraft Balance Calculation. When processing transactions that debit or credit Your Account, We start each Business Day with Your final Account balance from the preceding Business Day. The final balance takes into account all of the debit and credit transactions that were settled that Business Day pursuant to Our Funds Availability Policy, as well as any other debits or credits to Your Account that were finally settled that day, as described above in the "Deposit of Items" and "Collection and Processing of Items" sections of the Account Agreement. This starting balance at the beginning of a Business Day (the preceding Business Day's final balance) is sometimes referred to as Your "actual balance."

As credits and debits to Your Account are received by Us, We add them to and subtract them from Your actual balance. Examples of credits include, but are not limited to, electronic direct deposits, check deposits that have been fully and finally collected, ACH credits that have settled that day, and cash deposits made to one of Our tellers. Examples of debits include, but are not limited to, checks drawn on Your Account that are presented to Us for payment, electronic fund transfer (EFT) debit transactions (such as preauthorized payments and settled EFT debits), memo-posted EFT debits (EFT debits that We have authorized but which have not been settled), and Credit Union fees and charges. The result of this calculation at any given point in time is called Your "available balance."

For the purpose of determining whether an overdraft has occurred, We use Your available balance. First, We add all of the settled credit transactions to the beginning actual balance. Then, We subtract all of the debit transactions that settled that day. We also subtract all of the pending debit transactions. This determines the available balance for overdraft purposes. Each debit transaction that We process when Your Account has a negative available balance is an overdraft, subject to an overdraft charge.

Subject to applicable law, You are responsible for paying any overdraft fees and charges assessed in connection with Our payment of an overdraft, as well as any NSF fees charged to Your Account when We dishonor and return an item for non-sufficient funds. It is Your responsibility to know Your Account balance, and if You have any questions You should contact a Credit Union representative.

Additional Transaction Limitations. For all Accounts (except share draft Accounts), the Credit Union reserves the right to require a member intending to make a withdrawal to give written notice of such intent not less than 7 days and not more than 60 days before any such withdrawal.

Nature of Dividends. All dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

Compounding and Crediting. For all dividend-bearing Accounts, dividends will be earned daily for each day on which Your balance exceeds the minimum balance requirement for Your Account. Such dividend period is Monthly, and dividends will be compounded and credited to Your Account Monthly. You will not be paid any accrued but uncredited dividends at the time You close Your Account.

Balance Computation Method. For all dividend-bearing Accounts (except term share Accounts), dividends are calculated by the average daily balance method, which applies a periodic rate to the average daily balance in the Account for the period. The average daily balance is calculated by adding the balance in the Account for each day of the period, and dividing that figure by the number of days in the period.

Accrual on Noncash Deposits. For all dividend-bearing Accounts, dividends will begin to accrue on the business day after You place noncash items (e.g. checks) into Your Account.

Fees and Charges. Any fees and charges applicable to Your Account are disclosed on the accompanying schedule of fees and charges provided in conjunction with these Agreements and Disclosures.