

What you *really* need to know about...

Becoming Our Member

Cascade Community Credit Union share accounts are a 'members only' benefit... but chances are excellent that you'll qualify!

As you may know, each U.S. credit union is a not-for-profit co-operative owned by and providing financial services to our members. Our credit union is chartered by a Federal agency that supervises each aspect of our operation and insures the funds of each owner-member to at least \$250,000.

Generally, you can become a member of our credit union if you live, work, worship, volunteer, associate, or attend school in Douglas County, our 'field of membership'. But it gets better. If this doesn't fit, you may also become a member if you're within the household or immediate family of someone who does qualify for membership. This includes any spouse, child, sibling, parent, grandparent or grandchild (including 'step' and adoptive relationships). And if you ever move away, you can still keep your membership and use our web-based services.

If the membership is for a legal entity (such as a trust, non-profit organization or business corporation), and it is based or maintains a facility in Douglas County, it is likely that the entity is eligible to join as a member. (You'll want to be sure our 'consumer-oriented' services fit your organizational needs.)

And when you look beyond your lifetime, you can know that your credit union membership means your account can remain here during the disposition of your estate.

Federally insured by NCUA

Rev. Jan 2013

What you *really* need to know about...

Your Federally-insured Funds

Cascade Community Credit Union share accounts are insured by an agency of the Federal government to at least \$250,000.

The National Credit Union Administration, commonly referred to as NCUA, is the independent federal agency created by the US Congress to regulate, charter and supervise federally-chartered credit unions. NCUA also operates and manages the National Credit Union Share Insurance Fund (NCUSIF). Backed by the full faith and credit of the U.S. government, NCUSIF insures the accounts of millions of members in all federal and most state-chartered credit unions.

NCUSIF insurance coverage protects members against losses if a federally insured credit union fails. You can confidently join and conduct business with our credit union because no one has ever lost money insured by NCUSIF. Failures of federally insured credit unions are rare because only those with sound operational standards qualify to receive NCUSIF coverage.

NCUSIF provides all members of our federally insured credit union with up to \$250,000 in coverage for their individual accounts. These accounts include regular shares, share drafts ('checking'), money market accounts, and share certificates. And keep reading for options for additional coverage for accounts other than individually-owned accounts.

NCUSIF separately insures each traditional and each Roth Individual Retirement Account (IRA) at our credit union for up to \$250,000.

(continued)

The NCUSIF provides each owner of multi-owner accounts with up to \$250,000 coverage for their interest at our credit union. So, an account owned by two individuals may have up to \$500,000 coverage. This is separate from and in addition to the coverage available for other accounts such as individual accounts and IRAs.

Formal family (revocable) trust accounts may qualify for insurance coverage of up to \$250,000 per beneficiary (up to five) named by the owner that is separate from the individual coverage available to the trust owner. (Ask us when there are more than five beneficiaries.) Note that each account with a named Payable-On-Death (POD) beneficiary is a trust accounts for insurance purposes. For example, if the combined balances of an account owned by a revocable trust and any POD account is less than \$750,000 and each account names a spouse and two children as beneficiaries, the entire \$750,000 would be fully insured (\$250,000 per beneficiary).

For fiduciary and signer accounts, the NCUSIF insurance is by account ownership. The funds in an account owned by an individual that also serves as a fiduciary (custodian, administrator, guardian, etc.) or corporate or organizational signer are separately insured from any organizational or corporate funds and any funds managed by a fiduciary. And funds in accounts held by a fiduciary are insured separately from any other accounts of the owner.

And, to ease your mind, insurance continues to cover the account interests of a deceased member for six months following their death. Ask us about insurance from six months after death of a member or for other questions.

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Rev. Jan 2013

What you *really* need to know about...

Account Naming & Identification

Cascade Community Credit Union share accounts can give you confidence when someone asks ‘What’s in a name?’

Financial institutions report each account Tax Identification Number (‘TIN’) to the IRS. Therefore, the name of the first listed owner of the account must perfectly match the IRS records of the Social Security Number (SSN) of that person.

We obtain and record certain identifying information for each person authorized to transact on or benefit from an account. This usually must include physical address, date of birth, and TIN. The law provides this as part of the government war on terrorism, money laundering, and to deter fraud and identity theft. Sometimes the required photo ID and ‘TIN name’ may not match, in which case we’ll record both but are required to use the TIN name for the account name. If an account is owned by a person that is known by both a present and former name, we record both names but we list the ‘TIN name’ first. When IRS records match the new name with the SSN, we can show that name as primary in the records.

If a member registers an Assumed Business Name (ABN) with the Oregon Secretary of State, we can recognize that name in the account records if we accept the member for this type of account. This permits the member to negotiate checks made payable to the ABN to be deposited in the account of the member. However, the account records would always show the owner/member name first.

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Rev. Mar 2014

What you *really* need to know about a...

Multiple Ownership Account

Cascade Community Credit Union share accounts meet the most basic money management needs yet have convenient features to maximize their flexibility.

A very popular account structure is one with two or more owners; for example, a couple. While multi-owner accounts are very common, each owner should know ‘the rules of the road’. Each agrees that any owner can – *with or without the knowledge of other owner(s)*: 1) deposit or withdraw funds; 2) close the account; 3) terminate their account relationship; 4) cause fees, adverse credit/regulatory reporting, or even legal action against the account (examples: large cash transaction reporting, garnishment, levy, etc.); 5) change account address/features (suffixes) including use of checks; 6) cause a loss to all owners by giving informal account access to other parties (such as a debit card+PIN, webteller login, etc.); and 7) give Powers of Attorney to act on the account.

You should expect us to require signatures of all owners for adding owners or signers, or any change in death beneficiary designation. (See our flyer about Succession.)

We check and retain the credit record of each owner but only one Tax Identification Number (TIN) is associated with each account. The name and Social Security Number (SSN) of the ‘primary’ owner – the owner named first on the account records -- is what we usually use for tax and credit reporting purposes.

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What you *really* need to know about...

Account Succession

Cascade Community Credit Union share accounts can assist you with succession.

‘Succession’, here, is what happens upon the death of an owner. A multi-owner account has succession features. Complete authority and ownership of the funds continues with the remaining owner(s) when one of several joint owners of a share account dies. We need to know when any account owner dies. It not only affects Federal account insurance (see our flyer) but disbursement of the funds can be affected if the remaining owner dies before resolving the account records of the first.

Another succession option is designating an account ‘Payable-On-Death’ (POD). Upon death of the last account owner, living ‘PODs’ are paid equally. PODs of individually or jointly owned accounts have no ownership or control. An IRA has a ‘death beneficiary’. PODs/death beneficiaries are not subject to credit checking but are subject to government ‘watchlist’ monitoring. POD doesn’t apply to Conservator, Rep Payee, and UTMA accounts.

A formal living trust does not ‘die’ because it is a legal entity formed under state law to own assets of one or more individuals. Like a thoughtfully-established corporation, the governing document identifies the responsible administrator and who is next in line. The credit union usually provides accounts for this type of entity if the paperwork is in order.

To stay current on your succession plan, your periodic statement shows each account relationship we have on record.

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Rev. Jan 2013

What you *really* need to know about...

Powers of Attorney

Cascade Community Credit Union share accounts are flexible and can usually accommodate use of this tool by a member.

A POA can be comprehensive, ‘powerful’ – and heightened risk. Ask us about alternatives that provide access to your account as you intend.

Generally, we’ll honor a POA only when issued *by* an individual *for* an individual. Therefore, a POA is not valid after the death of the issuer. We typically do not honor a POA issued by a minor or for use by an official of a legal entity such as a trust or corporation. And we are not obliged to honor the POA for all purposes or if we have concerns as to the risks involved.

After reviewing a POA document to see if it apparently authorizes the requested access, if we accept it, we’ll then record it in our system. Next we’ll examine and record the government-issued photo ID of the POA holder and check their SSN to make sure they are credit worthy and are not on a government ‘watchlist’. Finally, the holder will sign the Account Card as POA.

For *each* transaction, the POA holder must appear in person, certify that the issuer is living (and where) and POA remains current -- not revoked or limited -- and indemnify the credit union for reliance on the POA. When acting for the issuer, the POA holder must sign with ‘POA’ following their signature to indicate they are acting in that role. Note that the US Treasury does not recognize POA authority to endorse checks issued by them.

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Rev. Jun 2013

What you *really* need to know about...

Accounts for Minors

Cascade Community Credit Union share accounts can fit the needs for a minor.

Control and responsibility are elements in establishing an account. In joint ownership, adult and minor each accept full responsibility for themselves *and the other*. Funds may be taken by ‘legal process’ for debts of either.

Alternatively, as sole owner, the minor can authorize a ‘signer’ to transact on their behalf while they are alive (see our flyer). The signer has no ownership and no authority to use the account as their own. The minor owner can remove any signer without their knowledge/consent. Typically, funds are not at risk in legal process against a signer.

For succession, only owner(s) (together) can designate/change any death beneficiaries.

Another option: OUTMA (Oregon Uniform Transfer to Minor Act). The adult, legal Custodian can transact on the account. The funds are owned by but inaccessible to the minor until a Custodian-specified age between 21 and 25. Anyone (including the minor) can contribute to the account. The Custodian writes checks, makes withdrawals and debit card purchases – but, by law, only to benefit the minor. The Custodian may authorize the minor as Viewer. A Custodian is designated and a Successor is optional, but the estate of the minor owns the funds.

Also, the owners of any account may designate as Payable-on-Death (POD) an OUTMA Custodian for one or more named minors including infants/children.

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Rev. Jan 2013

What you *really* need to know about...

Accounts with Signers

Cascade Community Credit Union share accounts are flexible -- feature-packed.

Owners of a credit union account can appoint an individual to serve as a signer (‘agent’) to act for them on the account. All owners must agree on such an appointment. Signer relationships can be particularly helpful for accounts for owners that may not be present to manage their account. For entity owners (trusts, corporations, LLCs) all individuals with account authority are signers. It is crucial, however, that each account owner understands the risks, responsibilities, and limitations of a signer relationship. And, as with each owner, each signer is subject to credit and government ‘watchlist’ monitoring.

The signer may not deposit or otherwise transact for any personal purpose -- only for the account owner(s). And if an organization requires two signatures to make a check, we will not monitor that. We only require one authorized signer to make checks drawn on the account. We will not normally honor a garnishment, levy or other legal process in the name of a signer since they do not own the account. In the event of the death of the last account owner, an individual with only a signer relationship has no claim to the account funds. A person holding a Power of Attorney (POA) is not permitted to act on the account of the individual issuing that POA when they are only a signer on that account.

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Rev. Jan 2013

What you *really* need to know about...

Endorsements, and 'Roles'

Cascade Community Credit Union accounts can facilitate non-ownership 'roles'.

A 'role' is when an individual is not an account owner but is acting for the owner, such as endorsing a check for deposit. This might be for a trust, a corporation, or when acting with a power of attorney (POA). All endorsements should (1) include the signature of the person endorsing, and, if applicable, (2) their role (by title), and (3) identify the name(s) of the owner.

Examples:

John Jones, POA, for Jenny Jones;

Or,

John Jones, Agent-Signer, for Jenny Jones;

Or,

John Jones, Representative Payee ('RepPayee'), for Jenny Jones, Beneficiary.

Whenever a fiduciary role or official title has been established by law or by the owner, that should be used such as 'Officer', 'Treasurer', 'Trustee' ('TTE'), 'Custodian', 'Conservator', 'Administrator', 'Executor', and similar.

For a transaction to be made using a 'Doing Business As' (DBA) name, the owner name should appear together with the DBA such as:

John Jones, President, for

JJ Ventures, Inc., dba Art by Jenny;

Or,

John Jones, LLC Member, for

JJ Ventures, LLC, dba Art by Jenny;

Or,

John Jones, Agent-Signer, for

Jenny Jones, dba Art by Jenny.

Ask us how to make a correct endorsement.

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Rev. Mar 2014

What you *really* need to know about...

Accounts for Clubs, Donations

Cascade Community Credit Union share accounts may fit the needs of your club or fundraising if you are clear about who owns those funds and what that means.

If one or more individuals own the funds, then your club or donation account can be owned in the name and Tax Identification Number (TIN) of an individual owner and other joint owners. Each must accept the liabilities of such an account. (Refer to our Multi-owner Account flyer.) Will donors or club members be receptive to having donations or other funds owned by individuals? Does the 'primary' owner (whose Social Security Number is the TIN for the account) accept any credit reporting associated with their name? Refer to 'Nonprofit Services' at sos.oregon.gov for more helpful info.

Are funds to be solicited and/or checks made payable in the name of 'the group'? If so, the name must be registered as an Assumed Business Name (ABN) with Oregon Secretary of State and the registrant must either be an account owner, or otherwise authorize the use of the name with the account.

If ownership by individuals is not a desired structure, the alternative is to form a legal entity for the purposes of the group or for fundraising. This entity must be registered with the Secretary of State. For charitable activities, this could be a Non-profit organization. Note: state registration alone does not qualify an organization to receive tax-deductible contributions. This status is available **only** from the IRS and the credit union must be notified of this status.

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What you *really* need to know about...

Legal Entities, Proprietorships

Cascade Community Credit Union share accounts may fit your trust or business if your needs are 'consumer-oriented'.

We can offer accounts for legal entities including formal family trusts established under state laws. This also includes LLCs, partnerships, corporations, and non-profit organizations. It is important to note that the mission of our credit union is serving consumers. We do not offer business/merchant services or cash management. We want to make sure the consumer services we offer are a good match before accepting into membership any 'non-consumer account' owner. Let's talk before you request this type of account. And even if we accept the account into membership, expect that it may take some time unless all your paperwork is totally ready for our review. As a start, we'll verify the business is currently registered with the Oregon Secretary of State. 'Starting a Business' at sos.oregon.gov may be a helpful resource.

Perhaps you're not a corporation or LLC and your business does not involve stacks of checks, payroll, rolled coin, and other typical 'business services'. Our consumer services may be a good fit for you. If you use a 'DBA' name, it may need to be registered as an Assumed Business Name (ABN) with the Oregon Secretary of State. And, you can have joint account ownership by individuals of a DBA account. The paperwork we you'll get differs from that of a 'consumer' account, but you may be eligible for our free home banking, free debit card, and our many other consumer services.

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