



Operating Rules and Regulations

Version: 3.0

Release Date: November 1, 2022

Effective Date: February 1, 2023

(Note Revision History for Updates)

CO-OP Shared Branch Operating Rules and Regulations

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Establishment

These Operating Rules and Regulations are established by the management of the CO-OP Shared Branch Network in cooperation with members of the Shared Branch Task Force and representatives of participating state networks. CO-OP Shared Branch may revise these Operating Rules and Regulations as deemed necessary.

Participants, including CO-OP Shared Branch Issuers, Acquirers and state networks that utilize CO-OP Shared Branch Network for Shared Branch or other services **must** abide by all applicable rules for that particular service(s). A copy of these Operating Rules and Regulations must be provided to all participating credit unions and contracted participants. Each individual state network establishing their own rules may do so as long as they do not supersede these Operating Rules and Regulations when applicable. Any CO-OP Shared Branch Network or state network rule that is at variance with any state, federal or local law, regulation or ordinance may not supersede said law, regulation or ordinance.

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Section 1.0: Definitions

The following words, in boldface type, shall have the meanings assigned, unless the context clearly requires some other meaning.

Access Device	A card, code or other means of access to a member's account, or any combination thereof that may be used by the consumer to initiate electronic fund transfers.
Account	Credit established by deposit, from which withdrawals can be made, and into which deposits and inquiries can be made. Account types include regular shares, savings, share draft, other consumer or business asset accounts, a loan, a credit card, a line of credit or other liability accounts.
Acquirer	Any delivery distribution channel that is connected to the CO-OP Shared Branch Switch and processes transactions for members of participating credit unions. Acquirer includes, but is not limited to, Outlet locations owned by credit unions, Standalone Service Centers, Shared Branch Express terminals, ATMs, retail locations, mobile banking, call centers, online banking and other access points and self-service devices that allow Guest Members of participating credit unions to process transactions on their accounts.
Adjustment	A credit or debit entry initiated by an Acquirer to correct an incorrectly processed transaction or network settlement issue, or to process an item that is returned to an Issuer credit union.
Arbitration	The process by which the parties to a dispute submit their differences to the judgment of an impartial person or group appointed by mutual consent or statutory provision.
Authentication	The process used to allow a Guest Member access to their credit union accounts.
Authorization	The online, verbal or written approval from the Issuer credit union to process a transaction.
BIN	A six-digit credit union identifier. Typically the first six digits of a card (ATM, debit, credit card) number.
Book Number	The account number following the credit union's routing and transit number within the MICR data of a check.
Business Day	The day that CO-OP Shared Branch Network is open for its usual and customary business.
Call Center	A phone center operating to serve CO-OP Shared Branch credit union members.

Carded Transaction	A transaction performed at a terminal or self-service solution using a magnetic or other electronic card plus a PIN that authenticates CO-OP Shared Branch member transactions.
Cardholder	A member holding an access card issued by an Issuer credit union.
Cardless Transaction	A Guest Member transaction performed at an Outlet location without the use of an Issuer credit union access card.
Cashless Location	A Shared Branch location that does not provide cash to members.
Check Indicators	Unique identifiers placed on negotiable item(s) by the Acquirer indicating to the Issuer credit union's system the type(s) of item(s) deposited, which allows the issuer/host system the opportunity to place holds based on their funds availability rules.
Conditional Endorsement	Requires that certain conditions be met before a check or draft is negotiable. The MSR/teller is responsible for reading and determining whether any conditions have been met and that the check is therefore negotiable.
Confidential Information	(i) All CO-OP Shared Branch proprietary or confidential information disclosed by CO-OP Shared Branch to its vendors and their participants, participating credit unions, and processors that relates to the provision of the services, and all CO-OP Shared Branch or its vendors' products; and (ii) All proprietary or confidential information of CO-OP Shared Branch, participants, or participating credit unions, processors and members disclosed to CO-OP Shared Branch that relates to provision of the services, and all CO-OP Shared Branch files. Confidentiality also pertains to all of the above information shared among or between any or all parties to the CO-OP Shared Branch Network.
Conformance Audit	A review and evaluation, by an independent third party, of the functions and performance of a participating Shared Branch network or credit union to determine that all actions and behavior are consistent and in conformity with the customs, rules, and principles established for the CO-OP Shared Branch Network.
Credit Union	A member-owned financial cooperative chartered under the laws of the United States, any state or territory thereof, or the laws of its country.
Credit Union Business Day	The day that the credit union is open for its usual and customary business.
Currency Transaction Report (CTR)	A document required by the Bank Secrecy Act (BSA) to report cash transactions exceeding \$10,000.00.
Data Processing System Interface	An interface certified to CO-OP Shared Branch specifications required for a credit union to interface to the CO-OP Shared Branch Network.

Directly Connected Participants	Participating credit unions that hold a contract directly through Co-op Solutions and not through a licensed distributor.
Electronic Funds Transfer (EFT)	The method by which funds are moved electronically through a data switch via telecommunication links between credit unions.
Entity	An individual, partnership, joint venture, corporation, or other legal entity. A state network or not-for-profit cooperative owned and governed by credit unions.
Flag	A message, restriction or block on an account placed by the member's credit union.
Funds Availability Policy	Hold policies of the Issuer credit union that are disclosed to their membership.
Gateway	An access link that facilitates data flow between two otherwise independent data networks, allowing participants in each network to have ready access to services and connectivity to end points in the other network.
Guest Member	A member of a participating Issuer credit union using Shared Branch.
Image Replacement Document (IRD)	A substitute check that is a negotiable instrument used to represent the digital reproduction of an original paper check. As a negotiable payment instrument, a substitute check maintains the status of a "legal check" in lieu of the original paper check. Instead of presenting the original paper check, credit unions and payment processing centers electronically transmit data from a substitute check by either the settlement process through the Federal Reserve Bank or by clearing the deposit based on a private agreement between member credit unions of a clearinghouse.
Intercept Processor	A processor that is connected to the switch and is authorized to have terminals connected to it, rather than to the switch.
ISO BIN File	A file containing the unique BIN (refer to BIN definition), routing and transit number, name, address, phone numbers and other pertinent information of all participating credit unions in the Shared Branch Network. The routing and transit numbers in this file are also used for endorsement information on the back of checks deposited by members.
Issuer or Issuer Credit Union	A term used to reference the credit union to which a member belongs.
Joint Account	An account that has a Primary Guest Member and additional owner(s). Each owner is referred to as a joint owner.
Licensed Service Center (Standalone)	Proprietary office that is managed and owned by a state network or a group of credit unions and is authorized to function as a Standalone Service Center. For the purposes of this document a Standalone Service Center will follow the same requirements as an Outlet.

Member(s)	The account owners of participating credit unions.
Member Services Representative (MSR)	A teller at an Outlet.
Member Verification	The initial transaction performed by the Acquirer to validate a member's account number and retrieve account information.
Network	The credit unions, Outlets and state networks that have a business relationship with CO-OP Shared Branch to provide Shared Branch transactions or other services.
Neutrality	An operational environment, at any CO-OP Shared Branch facility, that assures all participating credit unions that their transactions and services will be conducted in a manner that protects the integrity of the credit union's account relationship with its member.
Non Guest Member	A person, other than a joint owner, who enters a branch to transact on behalf of a Guest Member.
Offline	When any part of the network environment is not available, preventing the MSR at the acquiring credit union from performing transactions online.
Outlet Owner	A credit union that has entered into an agreement with CO-OP Shared Branch to operate an Outlet on the CO-OP Shared Branch Network. The term will be used when referring to the acquiring credit union as a whole.
Participant	Any entity that has contracted with CO-OP Shared Branch.
Participating Credit Union	A credit union that has contracted with CO-OP Shared Branch or a state network for participation in the CO-OP Shared Branch Network as either an Issuer, an Acquirer or both.
Payment Card Industry Data Security Standards (PCI DSS)	A widely accepted set of policies and procedures intended to optimize the security of credit, debit and cash card transactions and protect credit union members against misuse of their personal information.
Personally Identifiable Information (PII)	Information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual.
Primary Contact	The participating credit union/outlet owner's designated contact to be used as the key contact representative for participating credit unions.
Processor	An entity that communicates with the system and performs debit and/or credit processing and/or authorizing for itself and/or other credit unions and/or sends transactions elsewhere for authorizing.

Proprietary Marks	The registered or unregistered trademarks, trade names and service marks, including "CO-OP Shared Branch" and "CO-OP Shared Branch Express (SBX)," the use of which is licensed to participants under their agreement with CO-OP Shared Branch or their state network.
Restrictive Endorsement (or Restricted Endorsement)	Places a limitation on the use of a check or other negotiable financial instrument. The most common restrictive endorsement is the phrase "For Deposit Only" written along with the payee's signature on the back of a check.
Rules	The Network Operating Rules and Regulations, as may be amended from time to time, that are to be followed by participants in the CO-OP Shared Branch Network.
Secondary Contact	A contact that will act as the primary contact in the event that the primary contact of the credit union is not available.
Select Employee Group (SEG)	A business partner of a credit union that secures credit union membership eligibility for its employees at no cost and without the administrative responsibility of starting up a credit union on its own.
Self-Service	An alternative to performing transactions via a branch teller. A device that provides members with convenience, consistency and self-control for performing Shared Branch transactions through more automated solutions.
Semi Self-Service	An environment in which transactions are performed primarily in a self-service mode, but require branch staff involvement at some point.
Services	CO-OP Shared Branch services provided by a switch provider. Such services include the performance of fund transfers by on-line computer processing systems, certain auxiliary services, and any specific services developed from time to time by CO-OP Shared Branch or with other service providers.
Settlement	Fund distribution that occurs between two credit unions for transactions performed.
Shared Branch Express (SBX)	A CO-OP approved Shared Branch device that supports Shared Branch transactions through the CO-OP Shared Branch Network.
Shared Branch or Shared Branch Network	A network operated by CU Cooperative Systems, Inc., dba as Co-op Solutions, that offers products and services to credit unions to provide their members with access to their credit union accounts. CO-OP Shared Branch provides national, international and inter-network Shared Branch transaction services to member or client credit unions, either directly or indirectly through state networks and other consortiums of credit unions. CO-OP Shared Branch or "CO-OP Shared Branch Network" refers to Co-op Solutions, the entity, or the Shared Branch Network, as the context requires.

Shared Branch Outlet or Outlet	A location that allows members from any participating credit union to perform financial transactions, obtain information from their credit union and perform other general credit union branch transactions or functions. These locations include Standalones and credit union branches both internationally and within the U.S. market. Also refer to Licensed Service Center.
Shared Branch Service Mark	The CO-OP Shared Branch logo mark used to identify the CO-OP Shared Branch Network participants. CO-OP Shared Branch utilizes this brand as the nationally recognized Shared Branch mark/logo among credit unions. This mark will also be used by international participants, if applicable, so there is a single Shared Branch logo recognized by credit unions and their members around the world.
Shared Branch Task Force	A group of senior management-type individuals from representative credit unions and/or state networks around the country that are appointed by CO-OP Shared Branch to provide feedback and guidance on strategic and operational issues within the Shared Branch Network.
Shared Branch Teller Application	A member service teller application that is certified compliant with CO-OP Shared Branch Network interface specifications. This includes CO-OP provisioned teller applications and third-party applications.
Soliciting	Any direct or intentional attempt, by verbal, written or other means, to suggest to or entice a member of one participating credit union to become a member of another credit union during any visit, contact, or communication with any Acquirer or other facility that is a functional part of the CO-OP Shared Branch Network.
Standalone	A Licensed Service Center.
Standard	The degree to which a service must function; the criteria that determines satisfactory performance or the quality or specifications that must be present.
State Network	A network formed for the purpose of operating within the CO-OP Shared Branch Network. State networks are a recognized form of participation, and therefore have the ability to set local fees and/or create their own network rules within that state network.
State Network Regulations	Refers to network operating rules and regulations used by a state network.
Sub-Account	A secondary account opened after the establishment of a primary membership account that is identified by a suffix or unique account number.
Sub-Switching	For the purposes of these rules, is the routing of Shared Branch transactions outside of the CO-OP Shared Branch switch.
Suffix	A unique identifier, either alpha or numeric, for sub-accounts.

Surcharging	For the purposes of these rules, is the capability of a Shared Branch Outlet owner to charge members of participating credit unions a fee on the transactions processed through the Shared Branch Network.
Switch	The hardware/software operated by CO-OP Shared Branch or its designated switch processor to transmit data between a depositor's credit union and an Outlet to allow the depositor to conduct transactions in his/her account at an Outlet.
Switch End-of-Day	The time the switch completes a 24-hour cycle for settlement purposes. The time is 3 p.m. to 2:59:59 p.m. PT.
Switch Processor	The organization(s) that processes data and/or information by the use of an established system of transmitting items and messages throughout the Shared Branch network (i.e., FIS).
Switched Transaction	Either (a) a transaction in which an item is sent through the switch or (b) an attempted transaction received by the switch.
System	The CO-OP Shared Branch Network system of transmitting items and messages between a terminal or an Acquirer and a participating Issuer credit union and settling transactions between participating credit unions. It includes, but is not limited to, the terminals, all related computer hardware and software, logos, service marks and communications systems.
Terminal	An automated teller machine, teller workstation, automated lending device, dispenser, personal banking machine, Shared Branch Express (SBX) terminal, or other self-service type solution that meets such technical specifications for handling Shared Branch transactions as shall be established by the CO-OP Shared Branch Network.
Third-Party Item	An item (check) that has been endorsed by the payee over to another person.
Third-Party Processor	An entity that provides processing services to credit unions, but does not itself constitute a network.
Transaction	A financial and/or non-financial request that is processed through the switch and includes, but is not limited to, the following: deposits, withdrawals, balance inquiries, loan payments, loan advances and transfers.

Section 2.0: CO-OP Shared Branch Network Principles

2.1 Purpose

The purpose of these Operating Rules and Regulations is to bring together in orderly fashion information from various contracts and other documents to assist operations personnel in performing their duties in a safe, consistent manner and according to CO-OP Shared Branch Network standards.

The Operating Rules and Regulations are designed to ensure that the network and all network participants provide consistent services to members of participating credit unions in an environment that is neutral and non-threatening to the integrity and well-being of each member's principal credit union.

2.2 Amendments, Changes and Deletions

These Operating Rules and Regulations may be amended, changed and/or deleted by action of the CO-OP Shared Branch Management. Future changes in Operating Rules and Regulations will be effective upon sixty (60) calendar days' notice, except for emergency rules, which relate to time sensitive issues.

2.3 Emergency Rules

Emergency rules will take effect as directed by CO-OP Shared Branch Management. Emergency rules may apply to all, some or specific participant(s) as the nature of the circumstances require. Emergency rules may implement or change any provision that is deemed to be practical, reasonable and necessary within the circumstances creating the emergency. CO-OP Shared Branch Management may authorize a designee to temporarily amend, create or enforce any or all emergency rules. Such action(s) is to be reported to the affected network participants within forty-eight (48) hours whenever implementation of an emergency rule affects more than 10% of participating credit unions using the CO-OP Shared Branch Network.

2.4 Issuer Liability

The CO-OP Shared Branch Network is designed to function with complete neutrality. The network provides alternate locations and extended hours of service to credit union members who belong to various participating credit unions. It is the intent that these services be provided to a member as if the member **were** transacting business in the lobby of their home credit union. Under this principle, the Issuer assumes liability for transactions performed in alternative locations as if the transactions were conducted in the Issuer's home credit union. The Acquirer will be liable if it violated an Operating Rule or Regulation that contributed to the financial loss.

2.5 Neutrality

The network is designed to provide Shared Branch Outlet representatives with adequate information, such as account names and balances, to provide services to Guest Members in a manner that will not confuse them, but will be as comfortable to Guest Members as direct service from their credit unions.

A participating credit union expects that its members will be served in a safe, courteous and helpful manner. Therefore, the Acquirer's representatives will not discuss or in any way reveal information about other credit unions to a member, except for information related to the credit union to which the member is entitled to have access.

Any direct or intentional attempt by an Acquirer to solicit members of another participating credit union is prohibited and considered a violation of the neutrality principles established by CO-OP Shared Branch. Any such attempt at soliciting memberships on, within or around the premises of a facility will be considered a prima facie violation of the neutrality principles on which the system is founded. Solicitation by any means of the following are considered a violation of said principles:

- Membership
- Savings accounts
- Checking accounts
- Loans
- Any product or service that would imply or create a member/credit union relationship
- Any direct verbal promotion, mailing or marketing campaigns of products, services or rates other than normal in-lobby marketing materials

This solicitation restriction also applies to any vendor permitted to utilize any premise(s) under the control of any Acquirer. All participating credit unions and state networks will take appropriate steps to see that all Acquirers participating through their sponsorship will abide by these principles in serving the members that use their facilities.

This solicitation restriction does not apply to or include charitable functions, community functions, fund raisers or other community outreach programs.

Failure to follow these Operating Rules and Regulations may result in fines as outlined in Section 17.0: Non-Compliance, Warnings and Fines, which may include expulsion from the Shared Branch Network.

If a credit union member makes an inquiry about membership or initiates discussion related to joining the specific credit union Outlet they are visiting, it is permissible for that credit union's staff to respond to the member's inquiry and establish membership. The credit union staff may not initiate the discussion, however.

Refer to Section 8.0: Acquirer Services for detailed rules.

2.6 Cooperation Standards and Requirements

Participants will cooperate with CO-OP Shared Branch and its officers and employees for the purposes of transacting participant's business as outlined specifically in Section 12.0: Participation Requirements.

Participating credit unions must communicate and attempt to resolve any issues of non-cooperation between themselves. Any unresolved issues or disputes must be submitted by the Primary Contact of the initiating credit union following the guidelines set forth in this document in Section 7.0: Grievances and Disputes.

2.7 Identity

CO-OP Shared Branch will sub-license the use of its trademarked Shared Branch service mark to its participants upon their signing of an agreement. All participating state networks and Acquirers of Shared Branch transactions are required to use the service mark and logo, in order to create a credit union known and recognized identity for the Network. Participating credit unions are required to use the service mark and logo when advertising to their members. Sub-licensees must execute an agreement acknowledging the ownership of the service mark and logo and agree to the prescribed use of the service mark and logo as set forth in Section 16.0: CO-OP Shared Branch Brand Usage Requirements.

2.8 Data Switch

All CO-OP Shared Branch participating Outlets, Standalone Service Centers and Issuer credit unions are required to use an authorized switch processor. CO-OP Shared Branch services, which are provided under the participant's agreement with CO-OP Shared Branch, are subject to the participant having its data processing system interface with the switch in accordance with CO-OP specifications to allow the participant's transactions to be performed in an on-line, real-time environment. The participant is responsible for providing the interface with its data processing vendor and the switch for it to obtain the services.

Subject to contract terms and conditions, CO-OP Shared Branch reserves the right, from time to time to change its designated switch processor or processing environment within the same provider, when there is a business advantage to doing so. The participant agrees to cooperate with its data processing vendor and is responsible for any costs associated with its own vendors or suppliers regarding this interface including data communication lines between the participant's processor and the switch. Changes in data processing vendors will require re-certification to the Network.

If, upon the request of a participant, CO-OP Shared Branch provides the interface, charges to the participant shall be agreed to in writing between the participant and CO-OP Shared Branch. The participant and CO-OP Shared Branch shall mutually agree as to the extent of on-line and off-line transactions subject to the capabilities available through the participant interface.

2.9 Availability

Subject to these rules and state regulations, credit unions participating in the CO-OP Shared Branch Network will automatically be able to provide service to their members at any location displaying the CO-OP Shared Branch service mark.

2.10 Network Participation

Co-op Solutions reserves the right to establish eligibility of networks participating in CO-OP Shared Branch.

2.11 Use of Secured Channels

Documents and artifacts that contain confidential Shared Branch member or participant information must be conveyed via secured channels. Secured channels must be used at minimum for sending any information that could be considered PCI or PII or any additional information as regulation requires. This includes, but is not limited to:

- Social Security Number combined with full name
- Driver’s license combined with Social Security Number
- Passport #
- Any two pieces of information that can be combined

The entities must negotiate or establish the level of secured transmission between each other.

Below are recommended uses for handling of confidential information.

Action	Public Classification	Internal Use Only	Confidential
Copying	No restrictions	Copies may be made only by company employees or contractors/3 rd parties where a non-disclosure agreement is in place	Copies may be made only by the author or with written permission of the author or a manager
Sending by Public Network	Encryption not required	Encryption optional	Encryption required
Release to Third Parties	No restrictions	Non-disclosure agreement	Owner approval and non-disclosure agreement
Internal and External Mail Packaging	Only one envelope with no markings	Only one envelope with no markings	Address to specific person but label only on the inside envelope

Section 3.0: State Network Participation

- 3.1 Each state network will determine the location of any service centers and other facilities in its contracted network area. The state network shall determine the structure of their state organization and credit unions participating in the CO-OP Shared Branch Network.
- 3.2 Each state network shall determine which credit unions will be permitted to participate in the state network. It is the state network's responsibility to determine that each credit union is in a sound financial condition and capable of meeting its commitments as a network participant; to ensure that each participating credit union is connected electronically to the switch processor, either directly connected or through a positive balance file agreement, in order to perform transactions; and to require that each credit union sign a participation agreement.
- 3.3 Credit unions wishing to participate in the CO-OP Shared Branch Network must first join the state network for the area in which the credit union's principal office is located or receive permission from that state network to either join another state network or contract directly with CO-OP Shared Branch. In the event there is not a state network, then the credit union may contract with CO-OP Shared Branch directly.

Neither CO-OP nor the state network(s) will actively solicit business from each other.

- 3.4 Members of credit unions participating in a state network will be able to conduct transactions at any facility that is connected to either CO-OP Shared Branch or a facility displaying the CO-OP Shared Branch service mark. Exemptions will be granted by CO-OP Shared Branch in any cases where this requirement would otherwise supersede any applicable state or federal statute or regulation.
- 3.5 CO-OP Shared Branch state networks must market all credit union or state network-owned Shared Branch locations offered by, and accessible through, the CO-OP Shared Branch Network. From time to time, CO-OP Shared Branch will provide updated information for this purpose. Exemptions to this rule may be granted for extenuating circumstances. A request for exemptions must be submitted in writing to the attention of the SVP of CO-OP Shared Branch at clientcare@coop.org.
- 3.6 Upon receipt of any communication from CO-OP, the state network is responsible for ensuring that their Shared Branch clients receive any client-specific communications.

At times, there will be communications that are specific to the state networks for their own benefit. State network communications will be identified using a specific header format. It will be at the state network's discretion to determine if further client communication is warranted.

For client-specific communications, the state network is required to notify clients immediately. It will be at the state network's discretion whether the communication is sent:

- As received
- With content unchanged, but CO-OP branding replaced with that of the state network

- Updated using the state network's wording preference

Note: If the state network prefers to reword or send their own notification, CO-OP specified dates or requirements must be retained.

- 3.7 It is the state network's responsibility to report to the CO-OP Shared Branch Network any of the following occurrences if they relate to a credit union that is participating in the network: credit union name changes, settlement account changes, liquidations, mergers, data processor changes, branch openings, branch closings, and other critical changes.
- a. The state network will follow all timelines and requirements associated with branch closings or openings.
 - b. For all new branches, the state network is required to perform and submit documentation of a successful audit or provide documentation of a credit union's self-audit.
- 3.8 At least annually, CO-OP Shared Branch will have a third-party review audit (SOC1) performed on the "Network System" to ensure that the network is performing as designed with accurate transaction results. Copies will be provided to each participating credit union or state network as deemed appropriate.
- 3.9 The state network may adopt such additional rules as deemed appropriate for its contracted participants obtaining Shared Branch services within that same state network (for example, an Indiana Issuer going to an Indiana Outlet). The state network's rule shall not negate, alter, amend, change, be in conflict with, be contrary to, or supersede any CO-OP Shared Branch rule for out-of-network, national or international members visiting that state network Acquirer.
- 3.10 The state network may adopt pricing as deemed appropriate for its contracted participants obtaining Shared Branch services within that same state network (for example, an Indiana Issuer going to an Indiana Outlet). The state network's pricing shall not negate, alter, amend, change, be in conflict with, be contrary to, or supersede any CO-OP Shared Branch pricing for out-of-network, national or international members visiting that state network Acquirer.
- 3.11 State networks may not implement punitive pricing specific to Shared Branch services for credit unions that do not purchase other EFT-related services from the state network.
- 3.12 State networks will actively participate in monthly meetings and engage in requests for feedback on behalf of clients.

Section 4.0: Fees, Billing and Invoicing

- 4.1 CO-OP Shared Branch shall determine standard National/International Interchange Fee Schedules. Different Shared Branch Acquirer types (teller, self-service terminal, call center, etc.) within CO-OP Shared Branch may have different fee schedules. These fee schedules shall apply to all transactions acquired through a direct contract with CO-OP Shared Branch or a different state network than is used by the issuing credit union. The National/International transaction fees will apply to all Issuers visiting out-of-state (out of state network) Acquirers within the CO-OP Shared Branch Network. During the business combination transition period, one or more fee schedules may apply.
- 4.2 Pass through charges and at-cost charges will be billed by CO-OP Shared Branch to the appropriate state network or credit union per the terms of the agreement.
- 4.3 Each month, either CO-OP Shared Branch or the state network will prepare and provide transaction fee invoices/reports to participating credit unions in the CO-OP Shared Branch Network. The automated fee settlement system will settle each credit union individually for its previous month's switch transactions by transaction types according to the CO-OP Shared Branch fee schedule(s) in effect. The fees will be the sum of the then current CO-OP Shared Branch service fee multiplied by the number of transactions. A recap summary of all billings will be provided to the state network and/or the participant credit union.
- 4.4 All fees applicable to network participation including pass through, monthly, interchange, and individual fees are the responsibility of the network participants as defined by current individual agreement. Failure to pay applicable fees can result in termination from the CO-OP Shared Branch Network.
- a.** Each month, CO-OP Shared Branch will provide a miscellaneous fees invoice to each state network or participating credit union covering its previous month's miscellaneous services. The invoice will include any pass through and miscellaneous charges owed to CO-OP Shared Branch or its switch or service provider, monthly service fee charges and charges for any other services provided by CO-OP Shared Branch. CO-OP Shared Branch will enter this invoice for automatic credit to its account into the settlement system with corresponding debit(s) to the appropriate state network or participant credit union's settlement account(s). A recap summary of all billings will be provided to the state network and/or credit union participant.
- 4.5 Specific to Shared Branch transactions, participating credit unions may not charge Guest Members more than they charge their own members to participate in Shared Branch. Shared Branch member/Guest Member fees that are deemed to be excessive, unreasonable or outside the norm for what is commonly offered by other Shared Branch participating credit unions are subject to review by the CO-OP Shared Branch Network.

These fees are specific to those Shared Branch transactions for which interchange is earned. It does not apply to optional ancillary services, e.g., coin counting. Please refer to Section 13.0: Sub-Switching/Surcharging/Fees.

- 4.6 Participating credit unions and state networks shall establish and maintain a settlement account in accordance with a settlement agreement with a settlement institution acceptable to CO-OP Shared Branch Network as a condition of receiving any electronic services provided by Co-op Solutions. Participating credit unions and state networks are responsible for settlement payment regardless of the aforesaid arrangement and shall remain primarily responsible and liable for performing the settlement obligations required under the agreement with CO-OP Financial Services. Participating credit unions and state networks shall authorize the settlement institution to make debits or credits to the credit union or state network's account based on the net amount reported on the daily summary of settlement reports provided by CO-OP Shared Branch Network and other charges of which the settlement institution is notified by Co-op Solutions. The net amount reported on the daily summary may, at Co-op Solutions' option, be an estimate based upon the same day of the week that was reported on the daily summary of settlement reports for the most recently available period.
- 4.7 Shared Branch Network transaction fees (fee settlement) associated with Acquirers will be credited to the Acquirer's designated settlement account within the first five (5) business days following month-end. Fee settlement associated with Issuers will be debited from the Issuer's settlement account within the first five (5) business days following month-end.
- 4.8 CO-OP Shared Branch may bill state networks, associations and other resellers for fees associated with participation, billing, or services rendered to facilitate participation in the CO-OP Shared Branch Network.

Section 5.0: Acquirer Facilities – Branch or Self-Service

I. ACQUIRERS

- 5.1 CO-OP Shared Branch or the state network shall determine if it will permit Standalone facilities to be a functional part of its network.
- 5.2 The state network or credit union owners of a Standalone Service Center are required to sign an agreement with either CO-OP Shared Branch or the state network before the Standalone Service Center can provide Shared Branch services. CO-OP Shared Branch may also operate Standalone facilities as it deems appropriate, typically in areas not covered by a state network. The Standalone will be subject to audit with penalty if found to be violating any of the required rules. All transactions must be switched by the CO-OP Shared Branch Network approved switch provider.
- 5.3 An Acquirer, including a Standalone, Outlet or self-service solution may be driven by the Issuer credit union's data processor, a network-approved teller platform or a self-service solution. An Outlet, including any self-service solution, will be permitted to process only on us transactions for the Issuer credit union's members; all other transactions must be switched by the CO-OP Shared Branch Network approved switch provider.
- 5.4 Standalones, Outlets and any self-service solution must prominently display the CO-OP Shared Branch logo as set forth in Section 16.0: CO-OP Shared Branch Brand Usage Requirements. Shared Branch service limitations at teller windows, self-service solutions or the drive thru must be clearly marked.
- 5.5 All Acquirers that provide Shared Branch services to members are required to certify their platform prior to becoming an Acquirer within the network. The Acquirer will be invoiced for the cost associated with certification per the terms of their agreement or as disclosed by CO-OP Shared Branch. The Acquirer must abide by all applicable CO-OP Shared Branch rules and state network (if applicable) rules and regulations. A separate Outlet participation agreement may be required by CO-OP Shared Branch or the state network.
- 5.6 Acquirers will operate using their normal schedule (days/hours of operation) and will provide Shared Branch services during similar times that branch services are provided to their members.

If a facility is open for Shared Branch acquiring services, it must be available for Guest Members.

Providing Shared Branch services via drive thru is optional. If Shared Branch services are not offered via drive thru, this fact must be clearly indicated at the drive thru and within the locator.

Shared Branch-specific hours, if different from normal hours, must be clearly displayed in

branch and within the locator.

- 5.7 Acquirers must instruct their employees to refrain from "soliciting" or encouraging members of other credit unions to change their credit union memberships or to join the Acquirer credit unions. This restriction must also apply to any self-service solution and/or be enforced on any vendor permitted to utilize any premise(s) under control of the Acquirer credit union. Any participating credit union that persists in directly or intentionally soliciting the members of another credit union will be penalized for repeated occurrences and may face expulsion from the network.
- 5.8 Acquirers, including Standalones, Outlets and self-service solutions, will clearly post funds availability signage that states the following, or other similar language:

"Funds deposited may not be immediately available.
Check with your credit union for funds availability information."

Issuers are expected to follow Federal Regulation CC: Availability of Funds and Collection of Checks 12 CFR 229. Issuers that apply a different funds availability policy that is more liberal than the Federal Regulation CC: Availability of Funds and Collection of Checks 12 CFR 229 may not hold an Acquirer liable for losses that would have otherwise been prevented by placing appropriate holds.

If the self-service solution or device is able to display the funds availability message within the application or on the unit itself, that will suffice and additional signage will not be required.

- 5.9 Acquirers may access accounts ONLY in the course of performing a financial transaction for a Guest Member visiting the Acquirer's branch. Acquirers are prohibited from using Shared Branch inquiries and transactions for non-Shared Branch related activity, (e.g., researching available funds on a check presented for deposit to the Acquirer's own on-us accounts).
- 5.10 Transactions performed at a credit union terminal are considered Regulation E (REG E) transactions. This means that members inquiring about or disputing transactions performed at Shared Branch locations have specific timeframes in which the member can expect resolution. CO-OP Shared Branch does not attempt to interpret REG E within these Operating Rules and Regulations. It is the Issuer credit union's responsibility to be familiar with REG E to ensure timely member inquiry or dispute resolution.
- 5.11 CO-OP Shared Branch or the state network reserves the right to periodically, and at its sole discretion, conduct evaluation audits of Acquirers participating in the network through a secret shopper or other similar program. Results of these service quality and standards reviews will be reported to the appropriate CO-OP Shared Branch personnel, state network or participant. This may include an initial audit of each Outlet prior to advertising on Shared Branch locators or annual self-audits.

II. ACQUIRER BRANCH CLOSING AND TRANSFORMATION TO SELF-SERVICE

Branch transformation may include, but is not limited to, adding the following: Shared Branch Express (SBX), Interactive Teller Machine (ITM) or Assisted Teller Terminals, and/or other self-service device(s) for the purpose of providing Shared Branch services to Guest Members. These devices can be located at an Acquirer’s Shared Branch or other location where Shared Branch services are provided.

5.12 When closing an existing Acquirer branch location (whether actual closure OR removing Shared Branch access) or transforming an existing Acquirer branch location from the traditional live person-to-person environment to a self-service or semi self-service environment, the Acquirer must take specific steps regarding notification within specific timeframes, as specified in the following table. Failure to follow these requirements may result in fines as outlined in Section 17.0: Non-Compliance, Warnings and Fines.

	When Closing an Acquirer Branch Location	When Transforming an Acquirer Branch Location
A Minimum of 90 Calendar Days Prior	<p>Provide notice to CO-OP Shared Branch and other Acquirers within a five (5) mile radius.</p> <p>Notification details must include:</p> <ul style="list-style-type: none"> • The closing date • Project contact information • A plan outlining how the Acquirer will assist Guest Members through the process 	<p>Provide notice to CO-OP Shared Branch and other Acquirers within a five (5) mile radius.</p> <p>Notification details must include:</p> <ul style="list-style-type: none"> • The transformation date • Project contact information • A plan outlining how the Acquirer will assist Guest Members through the process • Types of devices being implemented and/or discontinued • Available services or services being added and/or eliminated • Confirmation of days and hours of operation
A Minimum of 60 Calendar Days Prior	<p>Post signage about the closing at all teller windows and entry points.</p> <p>Signage must contain closing details, including timeframe and alternative Acquirers/Outlets in the local area.</p>	<p>Post signage about the transformation at all teller windows and entry points.</p> <p>Signage must contain transformation details, including timeframes and available services going forward.</p>
A Minimum of 30 Calendar Days Prior	<p>Send a reminder notification to surrounding credit unions whose members use the branch location that is closing.</p>	<p>Send a reminder notification to surrounding credit unions whose members use the branch location that is transforming.</p>
A Minimum of 30 Calendar Days Prior		<p>Acquirer must provide staff to assist and educate Guest Members on the use of the implemented devices once the devices are in production for at least 30 calendar days prior to stopping live person-to-person transactions and for 30 calendar days after the branch transformation.</p>



- 5.13 Outlet Owner must make detailed, easy-to-follow instructions on the use of the implemented devices available to Guest Members, the surrounding credit unions whose members use the location and to CO-OP Shared Branch. Failure to follow these requirements may result in fines as outlined in Section 17.0: Non-Compliance, Warnings and Fines.

Section 6.0: Adjustments

- 6.1 CO-OP Shared Branch provides the means for correcting/adjusting transactions between the acquiring and issuing institutions. The state network or the credit union will submit the network correction electronically through DataNavigator. It will generate the adjustment, including any needed settlement of funds between the Acquirer and Issuer as well as produce the appropriate reports for both institutions.
- 6.2 State networks will be permitted to process adjustments for credit unions within their state network in accordance with their policies. Each state network or CO-OP Shared Branch Acquirer is responsible for initiating adjustments for transactions involving institutions not associated with its network or routing them to the designated CO-OP Shared Branch office for processing as outlined in this section of the Operating Rules and Regulations. The state network may determine if it will issue adjustments from its central office or assign the responsibility to its Standalone offices.
- 6.3 The Issuer cannot initiate an adjustment. The Issuer can only inquire on the status of an adjustment or transaction.
- 6.4 Adjustments, excluding non-sufficient funds and other returned items, will be processed by the Acquirer within three (3) business days from the switch transaction date. Adjustments submitted after the three-day requirement would be a good faith adjustment. If funds are no longer available in the Guest Member's account, the Issuer will make reasonable efforts to collect from their member.
- 6.5 Saturdays, Sundays, holidays, and days where acts of God or other events beyond reasonable control would prevent the adjustment from being processed are excluded from the timeline.
- 6.6 The Acquirer must notify the Issuer credit union by telephone, scan and/or email of any item \$2,500 or more being returned to the Acquirer before end of day the same day they receive notice, if the Acquirer is notified of return prior to 2 p.m. local time. If received after 2 p.m. local time, the Acquirer must still notify the Issuer the same day when possible, but notice must be given no later than 2 p.m. local time the next business day. Please note that the Acquirer's timeframe for notifying the Issuer begins to run when the Acquirer receives the return notice, through whatever means allowed by the FRB regulations or Uniform Commercial Code and not necessarily when it receives the actual item (returned check).

If there is insufficient information to identify the Issuer based on the return notice, best practice would be that the Acquirer eliminate the item as their own member transaction and then refer to daily Shared Branch reports and logs, providing them the ability to search based on account number/name, and identify the proper Issuer.

6.7 The Acquirer must retain documentation and/or confirmation indicating the Issuer was notified. If the Issuer is not notified within the stated timeframe, and losses could have been prevented, the liability of the returned item rests with the Acquirer.

6.8 Non-sufficient funds and other returned items will be processed within 24 hours (1 business day) of receipt, excluding Saturdays, Sundays, holidays and days where acts of God or other events beyond reasonable control would prevent adjustment processing. The Acquirer will date and time stamp the item, and mail all returns to the Issuer credit union. The Acquirer must note "Shared Branch Returned Item" on the envelope so it is directed to the proper party at the credit union. The Acquirer must include the DataNavigator case number along with the actual item to further expedite processing. **Reminder: The Issuer must also be notified by telephone, scan and/or email of any item \$2,500 or more being returned as outlined in 6.6 above.**

6.9 Adjustments for offline transactions will be processed within 24 hours (1 business day) from the date the items are taken if the issuer/host system is not back online for processing. This excludes Saturdays, Sundays, holidays and days where acts of God or other events beyond reasonable control occur that would prevent adjustment processing.

Entries will be a net debit and/or a net credit based upon the completed Adjustment Request form. OFFLINE TRANSACTIONS MUST NOT BE PROCESSED INDIVIDUALLY.

6.10 Standard adjustments must be submitted only for items that are \$10 or more. All adjustments submitted to the network office will be processed regardless of dollar amount.

6.11 Returned item adjustments may be processed regardless of the amount of the item. When submitting an adjustment, Acquirers may add on any fee, up to a maximum of \$15 per item, charged as a result of the returned item in their cash letter. Issuers are responsible for the costs (up to \$15) incurred by the Acquirer as a result of the Issuer member's returned item. The cost must be added during the adjustment processing and will not be back billed.

6.12 All returned items not processed within the timeframes according to Regulation J "Collection of Checks and Other Items by Federal Reserve Banks," or failure to follow adjustment processing timeframes and guidelines established by CO-OP Shared Branch, shall result in liability to the Acquirer.

Exceptions to adjustment timeframes as outlined in this rule are for those items that fall under the guidelines specifically defined in the Uniform Commercial Code (UCC §3-118).

Government Reclamations have SEVEN years and supersedes any other timeline restrictions. If the Acquirer's check processor or bank fails to return the item timely and the late return was not caused by the Federal Reserve Bank but by the vendor themselves, then the Acquirer will be liable for any loss amounts and must seek reimbursement from their check processor. Every effort must be made by the Acquirer to file late returns with the Federal Reserve Bank when warranted.

- 6.13 Acquirers may elect to automatically redeposit NSF items up to \$250. Any losses suffered by the Issuer credit union for items re-deposited over \$250 will be the responsibility of the Acquirer. The Acquirer will be responsible ONLY for the difference of any items returned over \$250.

Non-NSF returned items, (e.g., closed accounts, stop payments, etc.) must be handled through the normal adjustment process.

- 6.14 Any CO-OP Shared Branch adjustment fees will be charged as defined in the institution's contract. Adjustment types include standard adjustments, offline and NSF/returned item adjustments.

- 6.15 Participants must use daily activity-type reports to verify transactions requiring additional scrutiny to ensure proper holds are placed on the members' accounts. Additionally, Issuers must verify daily adjustment activity reports to ensure proper and timely handling.

- 6.16 In the event that an adjustment is needed in a downtime scenario and the Issuer is responsible for the downtime, they may incur a \$3.00 adjustment fee. The fee is included in the Adjustment entry made by the Acquirer.

- 6.17 Through unusual operating circumstances, and as agreed upon by CO-OP Shared Branch, the Outlet Owner has the right to collect funds from Guest Members after the standard adjustment window has been exceeded. The Issuer credit union will be contacted and will be allowed the option to contact their member and attempt to collect the funds. If the Issuer credit union refuses to collect, the Outlet Owner has the right to collect from the Guest Member. The Issuer credit union must cooperate and provide the necessary information to the Outlet Owner. Please refer to section 7.0: Grievances and Disputes for additional details for requests beyond the standard adjustment timeframe.

Section 7.0: Grievances and Disputes

7.1 Before any transaction(s) is disputed, the credit union must ascertain if any Rules have been violated that contributed to the loss. If the investigation reveals that Rules have been violated by the Acquirer and did contribute to the loss, the Issuer credit union will follow the grievance Rules below. If the investigation reveals that no Rules have been violated by the Acquirer credit union, the Issuer will accept the loss without recourse.

7.2 In the event a dispute arises between the Issuer and the Acquirer, the Issuer must make its best effort (i.e., the same it regularly uses for its own business) to collect from its member or members before entering into the dispute process. Collection effort examples include, but are not limited to:

- Contacting the member(s)
- Writing letters to the member(s)
- Checking for ACH or other automatic deposits
- Holding funds from other accounts held mutually by the member(s)

The Issuer will be asked to demonstrate its efforts in collecting or recovering funds from its members.

7.3 Grievances, regardless of the dollar amount, will not be accepted for review by CO-OP Shared Branch on transactions older than 120 calendar days from the date of the original transaction. The intention here is to give Issuers sufficient time with their collection efforts yet ensure any grievances submitted are done so within reasonable timeframes.

Grievances should only be submitted on losses related to the actual amount of the transaction.

Exceptions to this Rule and timeframes are those items that fall under the guidelines specifically defined in the Uniform Commercial Code.

7.4 All parties involved in a dispute, including state networks, Issuers, Acquirers and members, agree to cooperate and testify in court and/or during the arbitration process as required.

7.5 Resolution Rules: In the event a dispute arises between the Issuer credit union and the Acquirer, the following rules must be followed:

7.5.1 If both parties are U.S.-based participants, the party initiating the dispute must phone the other credit union for resolution.

7.5.2 If no agreement can be reached within two (2) business days, the initiating credit union will submit the complaint directly to the other credit union, including all documentation regarding the dispute. The written request must also include a deadline for a response of 10 business days.

7.5.3 If no agreement is reached by the response date (10 business days), the initiating credit union must submit a detailed description of the dispute, including all documentation and actions taken to resolve the dispute, to the state network of the credit union initiating the dispute (or directly to CO-OP Shared Branch, only if the initiating credit union has a direct relationship with CO-OP Shared Branch). The state network will contact CO-OP Shared Branch, who will have twenty (20) business days to review all documents and respond to the request. If additional information is required or requested, timeframes may extend beyond the twenty (20) business day timeframe.

The dispute must be a minimum of \$500. A \$250 filing fee will be included in the invoice following the conclusion of the dispute, for the institution found liable.

Disputes less than \$500 must be resolved between the two credit unions involved and will not be accepted for review by CO-OP Shared Branch.

7.5.4 If either party is not satisfied with the ruling by CO-OP Shared Branch, the party will have five (5) business days to appeal the decision by submitting, in writing, a request to the attention of the CO-OP Shared Branch Task Force via clientcare@coop.org. The Task Force will try to meet and rule on the dispute within fourteen (14) business days unless other circumstances prevent such timing from occurring.

7.5.5 Each party will have five (5) business days to appeal the Task Force decision.

7.5.6 In the event that any dispute between US-based Shared Branch Network participants cannot be resolved by the parties, the dispute shall be submitted to binding arbitration, as to the facts only, in Rancho Cucamonga, California, under the then prevailing rules of the American Arbitration Association. Conclusions of law shall be appealable in the same manner as if made by a trial court. The final award by an arbitrator or arbitrators shall fix the costs and expenses of the arbitration, which may include the reasonable legal and other costs incurred by the parties for the arbitration, and shall decide which of the parties shall bear them or in what proportion they shall be borne by the parties.

7.5.7 If not otherwise resolved between the parties, all disputes between any United States-based participating credit union or other organization, including any participating United States-based state or national Shared Branch Outlet, and any Central American or South American-based participating credit union or other organization, including any participating Central American or South American-based regional or national Shared Branch Outlet, shall be submitted to binding arbitration in Miami, Florida, USA, using the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said Rules. The arbitrator or arbitrators shall have knowledge of and experience in financial institution and commercial law, and shall be fluent in the English language; all evidence will be presented to the arbitrator or arbitrators and the arbitration will be conducted in English.

The final award by an arbitrator or arbitrators shall fix the costs and expenses of the arbitration, which may include the reasonable legal and other costs incurred by the parties for the arbitration and shall decide which of the parties shall bear them or in what proportion they shall be borne by the parties.

7.5.8 Business days: for all intended purposes, the measurement of business days will commence from the date the item was received either by mail, scan and/or email, Monday – Friday, excluding holidays.

7.6 If a Guest Member requests a copy of a transaction from the Outlet Owner credit union, fees will be assessed at the current rate the Outlet Owner credit union charges its own members. If it is determined to be an error by the Outlet Owner credit union, no charges will be assessed. If the research is identified as fraud, the fees will be waived except for outside costs incurred. Refer to Section 8.0: Acquirer Services for details about Guest Member transaction research fees.

Section 8.0: Acquirer Services

8.1 The following Shared Branch transactions will be supported by CO-OP Shared Branch participants.

All transactions listed below are initiated through a teller unless otherwise stated.

#	Transaction Type	Mandatory/ Optional	Limits	Accounts	Notes
1a	Member Verify: <i>Account Inquiry</i>	M	3 attempts to access member info with member account number	<ul style="list-style-type: none"> All available accounts 	<p>Issuer credit union name and account number lookup. Guest Member ID must be verified by the Member Service Representative (MSR) to ensure correct account is being accessed.</p> <p>After 2 unsuccessful attempts to verify a member via account inquiry, an Acquirer may choose the third attempt using RLU*</p> <p>*Note: Potential risk is inherently greater with the use of RLU. The Outlet Owner accepts liability for fraud as a result of the use of Reverse Look-Up. Refer to Exhibit A, item II., A., 2 for additional detail.</p>
1b	Member Verify: <i>Reverse Look-UP (RLU)</i>	O	2 attempts to access account with Social Security Number.	<ul style="list-style-type: none"> All available accounts 	<p>Member Verify using Reverse Look-Up may use one or more of the following 3 RLU options*:</p> <ul style="list-style-type: none"> Full SSN DOB and last 4 SSN Book Number (if available; the account number found within the MICR line of the member's credit union share drafts/checks) <p>*Note: Potential risk is inherently greater with the use of RLU. The Outlet Owner accepts liability for fraud as a result of the use of Reverse Look-Up. Refer to Exhibit A, item II., A., 2 for additional detail.</p>
2	Account Inquiry	M	An account inquiry will return up to 4	<ul style="list-style-type: none"> All available accounts 	<p>The MSR will choose an account number from the list and start a new member verification session.</p>

#	Transaction Type	Mandatory/ Optional	Limits	Accounts	Notes
			shares and 4 loans. If additional accounts exist, an additional account inquiry will be required.		If more than one account number is presented, the MSR may have to perform member verifications on each account number until the correct account is accessed.
3	Withdrawals	M			<p>Issuer online authorization required to disperse funds. Checks must first be deposited before funds can be withdrawn.</p> <p>Bank Secrecy Act and Currency Transaction Report requirements must be adhered to where applicable.</p>
	a. Cash	M	<p>Network minimum is \$500. The amount may be further limited by the Issuer, or funds available in the member's account.</p> <p>Maximum transaction amount is \$10,000. However, the Acquirer may lower or increase this amount.</p>	<ul style="list-style-type: none"> ▪ Share ▪ Share Draft 	<p>Cash withdrawals will be subject to a) Network minimum, b) Network maximum (unless the Acquirer changes this amount), c) the Guest Member's daily limit as set by the Issuer and d) total amount of available funds as determined via online authorization from the host credit union.</p> <p>The Network minimum is the lowest amount the Acquirer must make available for withdrawal by a Guest Member.</p> <p>The maximum cash withdrawal amount is set by the Network, but an Acquirer may choose to lower or increase the maximum amount. Acquirers who choose to exceed the maximum Network limits take on transaction liability.</p> <p>In all cases, the Issuer's online authorization takes precedence during the transaction.</p> <p>Acquirer branch policy must be applied equally to all Guest Members.</p>
	b. Check	M	Network minimum is	<ul style="list-style-type: none"> ▪ Share ▪ Share 	Check withdrawals will be subject to a) Network minimum, b) the



#	Transaction Type	Mandatory/ Optional	Limits	Accounts	Notes
			\$500. The amount may be further limited by the Issuer, or funds available in the member's account.	Draft	<p>Guest Member's daily limit as set by the Issuer), and c) total amount of available funds as determined via online authorization from the host credit union.</p> <p>The Acquirer may choose to set a maximum withdrawal amount.</p> <p>In all cases, the Issuer's online authorization takes precedence during the transaction.</p> <p>Check withdrawals include official checks and cashier's checks.</p>
	c. Money Orders	O	Withdrawal limits are funds available in Guest Member's account.	<ul style="list-style-type: none"> All available accounts 	Will be subject to the Guest Member's daily limit and total amount of available funds as determined via online authorization from the host credit union.
	d. Traveler's Checks/ Travel Cards	O	Withdrawal limits are funds available in Guest Member's account.	<ul style="list-style-type: none"> All available accounts 	Will be subject to the Guest Member's daily limit and total amount of available funds as determined via online authorization from the host credit union.
4	Deposits				Bank Secrecy Act and Currency Transaction Report requirements must be adhered to where applicable.
	a. Cash	M	None	<ul style="list-style-type: none"> All available accounts 	
	b. Coin	O	Determined by Acquirer	<ul style="list-style-type: none"> All available accounts 	Rolled coins or the amount of rolled coins are at the discretion of the Acquirer depending on whether the Acquirer accepts rolled coins in deposits for their own members.
	c. Check	M	None	<ul style="list-style-type: none"> All available accounts 	Restrictive endorsement and check encoding by MSR required.
5	Statement Prints	M	None	<ul style="list-style-type: none"> All available accounts 	
6	Transfers	M	None	<ul style="list-style-type: none"> Share 	3 types:

#	Transaction Type	Mandatory/ Optional	Limits	Accounts	Notes
				accounts	<ul style="list-style-type: none"> Share-to-Share same member sub-account Share-to-Share accounts of 2 members same Issuer Issuer-Issuer Share accounts
7	Loan Payments			<ul style="list-style-type: none"> Loans 	Bank Secrecy Act and Currency Transaction Report requirements must be adhered to where applicable.
	a. Cash	M	None	<ul style="list-style-type: none"> Loans 	
	b. Check	M	None	<ul style="list-style-type: none"> Loans 	
8	Loan Advance	M	Up to maximum loan amount	<ul style="list-style-type: none"> Loans 	
9	Reversals	M	Permitted on same day transactions	<ul style="list-style-type: none"> All available accounts 	
10	Large financial transactions	M	Financial transactions over \$999,999 will require the amount to be verified by Co-op Client Care before settlement.	<ul style="list-style-type: none"> All available accounts 	Financial transactions over \$999,999 are held for settlement until Co-op Client Care can verify with the Acquirer that the transaction was valid and not a data entry error.

8.2 All services to be offered at Acquirers, other than Shared Branch services outlined above, must receive prior approval by either the state network or CO-OP Shared Branch.

CO-OP Shared Branch grants to its contracted participants a nonexclusive and nontransferable license to use and display CO-OP Shared Branch trademarks, service marks, and logos solely in connection with identifying Shared Branch services, as defined and approved by CO-OP Shared Branch and/or the Board of Directors. This logo and service mark may be used by contracted credit unions and state networks in marketing materials, to promote Shared Branch participation (Issuer and/or Acquirer).

Third-party vendors or other non-credit union parties may not display, promote or associate unsanctioned services with the CO-OP Shared Branch logo without the express written consent of CO-OP Shared Branch.

8.3 Acquirers may not solicit Guest Members as new members, open accounts or close existing member accounts of any participating credit union. Acquirers may not recommend a particular credit union for a potential member to join. All requests for participation in a credit union by a Guest Member will be forwarded to the state network office in the state in which the Shared Branch facility is located or the Guest Member’s Issuer credit union.



- a.** All Acquirers must agree to refrain from "soliciting" or encouraging members of other credit unions to change their credit union membership or join another credit union. The "no soliciting" rule would apply to branch visits as well as visits to overlapping Select Employee Groups (SEGs). Credit unions with overlapping SEGs may market and promote their specific credit union and services during onsite visits, but they are prohibited from suggesting that members close their accounts at other participant credit unions. This restriction must also apply to and be enforced on any vendor permitted to utilize any premise(s) under control of the state network, CO-OP Shared Branch or any of its participating locations.
- b.** A participating credit union, state network, or vendor that persists in violating the "no soliciting" rule will be penalized. Failure to follow these Rules and Regulations may result in fines as outlined Section 17.0: Non-Compliance, Warnings and Fines, which may include expulsion from the Network.

8.4 Guest Member inquiries or disputes on transactions performed at the Outlet locations must be attempted to be resolved with the Acquirer credit union prior to referring a Guest Member back to the Issuer credit union, as outlined in Section 7.0: Grievances and Disputes.

8.5 Same day reversals are allowed via the Acquirer's teller platform when transaction errors are discovered on the same day the transaction occurred. Depending on when the reversal is actually processed (before or after network settlement cutoff), the reversal will post to the member's account, however may not appear in settlement or on switch reports until the following business day.

8.6 Acquirers shall provide services to Guest Members, including owners of individual credit union accounts or Guest Members conducting transactions for business accounts.

Outlets may make arrangements with individuals or businesses wishing to conduct higher volumes of transactions either in cash or by checks so that both the Guest Member's and Outlet's needs are met. For instance, the Outlet may request that the Guest Member not present a high volume of checks just before closing.

Outlets should work with the individual and business Guest Members to make arrangements for handling larger amounts of cash or checks when appropriate.

8.7 Reasonable care must be given to servicing business accounts of a Guest Member in the same way a business account would be serviced by the Acquirer's own business member. It is optional for Outlets to accept Night/Drop Box deposits provided:

- a.** The decision to not accept Night/Drop Box deposits is handled consistently for all Guest Members **and**
- b.** It is clearly indicated which hours deposits on business accounts must be made

8.8 Guest Members will receive a receipt for each transaction displaying:

- a.** Guest Member's Issuer credit union

- b.** Guest Member's name
- c.** Date of transaction
- d.** Amount of transaction
- e.** Outlet location (Video Teller locations may use the Virtual Teller Branch location)
- f.** MSR's ID number and transaction sequence number, session number, record number or similar

8.9 Documenting the transaction

The Network does not prescribe how to document verification. The MSR should use the Acquirer's existing process, including how and what information to document (e.g., on the voucher, on the teller system, MSR initials in the upper right corner, writing "DOB" and circling it, etc.).

Video Teller initiated transactions still require documentation, utilizing Acquirer's existing processes for video teller machines. Identification information must be captured and retained at the time of the transaction – required for Video Teller-initiated transactions via an ATM or Shared Branch Express terminal.

Documentation for transactions via an ATM or Shared Branch Express terminal are optional.

Transaction request forms are optional but may be required at the discretion of the Acquirer. In either case, the Acquirer is still obligated to collect and maintain proper documentation. The Acquirer must retain a copy, paper or electronic, of all transaction requests/vouchers or receipts, that includes the Guest Member's signature in accordance with industry acceptable retention guidelines. A Member signature is required, whether it is on transaction request/vouchers or receipts, paper or when electronic capture is available.

If a transaction request form is used, then a) Guest Members are required to sign one transaction request form, which can include multiple transactions if they are requested at the same time, or b) additional requested transactions after the initial request require a separate signed transaction request form.

Use of signature pads is acceptable to obtain signatures; however, even the most accurate signatures made via pin pad are difficult to match. When unsure or concerned over signature match, it is permissible to request that the Guest Member provide their actual signature in order to properly validate.

8.10 Fees for Guest Member transaction research:

- If a Guest Member requests a copy of a transaction from the Outlet Owner credit union, fees will be assessed at the current rate the Outlet Owner credit union charges its own members. If it is determined to be an error by the Outlet Owner credit union, no charges will be assessed. If the research is identified as fraud, the fees will be waived except outside costs incurred.
- Guest Member requests shall be completed and returned to the requesting Issuer credit union within seven (7) business days, and if it is longer, the Outlet Owner credit

union will contact the Issuer credit union via telephone and follow up via email with additional detail as necessary.

- Legal requests may take up to 30 calendar days. This will be determined by the extensiveness of the request.
- Fees for research and/or copies of items requested by Issuer credit unions for BSA compliance purposes may be waived.
- All fees assessed will be charged to the CO-OP Adjustment System as an adjustment. A scan/email of the information requested and the amount of the charge will be sent on the same day.

Note: See the CO-OP Shared Branch Forms section for the Guest Member Research Authorization Form and the Guest Member Research Completion Form and Fee Charge Advice.

8.11 Reverse Look-up

- Reverse Look-up will be discontinued and no longer supported for in branch and drive thru transactions for Shared Branch effective 9/1/2023.
- The Network reserves the right to modify or discontinue Reverse Look-up for other channels as deemed necessary.

Section 9.0: Operational Requirements

- 9.1 All transactions performed in the CO-OP Shared Branch Network must be routed through the CO-OP Shared Branch designated switch for processing.
- 9.2 All host systems (credit union or data processor) will be online and in a service mode for authorizing transactions 24 hours per day, 7 days per week to facilitate member transaction authorization from various service points, including shared branches, self-service solutions, etc. At a minimum, systems must be available between the hours of 9 a.m. Pacific time until 12 midnight Pacific time Monday through Friday and 9 a.m. Pacific time until 10 p.m. Pacific time Saturdays. Exceptions may be granted based on operational or technical limitations of the credit union or their data processor. Requests for exceptions must be submitted in writing to either the state network or to the attention of the SVP, CO-OP Shared Branch at clientcare@coop.org.
- 9.3 Shared Branch participants must be in compliance with the most recent CO-OP Shared Branch specifications for all network interfaces.
- 9.4 The maximum response time standard from a host computer to the Network switch is thirty (30) seconds, measured from the time the switch transmits a message to the time the switch receives the host response. Response times allowed may vary based on the switch provider. Issuers and Acquirers should refer to the message format specifications and/or contact the CO-OP Shared Branch corporate office for detailed requirements.
- 9.5 The Network designated switch processor will monitor all host computers (or third-party processors) for compliance with response time standards and host availability. The minimum acceptable standard for a timely response is 98.5% of the time. The minimum acceptable standard for host availability is 98.5% of required up time.
- 9.6 Penalties will apply for repeated or extended failures of a host system (or third-party processors) to be available for the required up time or to respond within the timely standard set by CO-OP Shared Branch. When monitoring reveals a problem with either availability or response time, the credit union may be penalized as outlined in Section 17.0: Non-Compliance, Warnings and Fines.
- 9.7 Installation and maintenance of all communication lines and equipment between the switch and other components of the system connected directly to the switch shall be coordinated with or ordered by CO-OP Shared Branch or its designated provider.
- 9.8 When new terminal types or devices are being interfaced into CO-OP Shared Branch, through an already certified host computer, the processor for the credit union must undergo sufficient testing to ensure compliance with the CO-OP Shared Branch message format and specifications.

- 9.9 CO-OP Shared Branch will coordinate all testing activities, including scheduling, defining test requirements and defining scope of test.
- 9.10 CO-OP Shared Branch state networks and participating credit unions assume full responsibility for the consequences of any information or instructions given to CO-OP Shared Branch or its designated switch processor. State networks and participating credit unions agree to hold CO-OP Shared Branch harmless for the results of such instruction, except to the extent of any claim, demand or cause of action due to, in whole or in part, the willful misconduct, fraud, intentional act or negligence of CO-OP Shared Branch, its switch provider or their employees or agents.
- 9.11 CO-OP Shared Branch, state networks and participating credit unions must agree to keep confidential all data switch processor and CO-OP Shared Branch proprietary information. CO-OP Shared Branch agrees to keep confidential all state network and participating credit union proprietary information. (See definition of **Confidential Information**.) The confidential information of each party remains the property of that party both during and after that party's participation in the CO-OP Shared Branch Network.

The designated switch processor will retain transaction logs and all reports for Network activity for a period of seven (7) years. Copies of transaction activity will be available to the state network or participating credit unions at the then applicable CO-OP Shared Branch charges.

Acquirers will provide reasonable safeguards to ensure the safety of all negotiable instruments and cash pursuant to regulations of any state and federal supervisory agencies. In addition, Outlet Owners will establish safeguard measures, as well as defined responsibilities and accountabilities in place with its third-party vendors, record transporters, servicers and others that have access to non-public personal information of Guest Members.

Furthermore, in the event a security breach occurs at, by, or that is attributable to the Outlet Owner that involves confidential information, theft of receipts, records, deposited checks/items, electronic data, etc., the Acquirer/Outlet Owner shall reimburse participant(s) for all costs and expenses reasonably related to the breach including losses from fraudulent withdrawals on compromised accounts and other costs such as all reasonable and customary costs incurred by participant(s) associated with a third-party fraud/identity theft-monitoring service.

- 9.12 No acquiring institution may maintain a database of Guest Member information for the purposes of marketing to Guest Members, performing future transactions or any other similar purpose.
- 9.13 Overriding any transactions denied by the issuing credit union is prohibited. Acquirers that "force post" transactions denied by the Issuer accept responsibility for any loss amounts incurred as a result of overriding the transaction(s).

- 9.14 CO-OP Shared Branch Acquirers must maintain an accurate, current ISO/BIN file and the file, or information contained within the file, must have been provided by the CO-OP Shared Branch Network office. CO-OP Shared Branch Acquirers may not utilize ISO/BIN files created and distributed by any other entity or networks. In the event an Issuer credit union Guest Member is unable to perform a transaction at an Outlet due to an aged ISO BIN file residing on the Outlet Owner's application, the Outlet Owner will be fined in accordance with Section 17.0: Non-Compliance, Warnings and Fines.
- 9.15 Certification is required on each new data processing environment or "direct link" from the switch to the data processor or participant credit union. No institution will become a Network participant until all transaction sets are successfully tested and standards met or the appropriate exceptions granted by CO-OP Shared Branch.
- 9.16 Any Acquirer (Standalone, Outlet, self-service, etc.) overriding the Issuer's ability to place a hold on deposits by using the "immediate" or "payroll" indicator or incorrectly coding as cash when the item should have had a "local" indicator, accepts all return liabilities for that deposit; otherwise, the issuing credit union accepts all deposit liabilities. Liability may result only to the extent the loss was a direct result of non-compliance of these Operating Rules and Regulations. Refer to Exhibit A for additional information.
- 9.17 All check deposits must include proper endorsement, where the authorizing credit union must be the sole institution whose routing and transit number is placed in the "Bank of First Deposit (BOFD)" section as defined by "Federal Reserve Bank (FRB) standards." All adjustment requests involving improperly endorsed check deposits may place liability on the Acquirer.
- 9.18 An Acquirer accepts all liability for share drafts presented as a request for withdrawal of funds from a shared draft suffix. The Network suggests that, if funds equal to or greater than the requested dollar amount are available at the time of the transaction, a withdrawal should be performed using the presented share as a transaction voucher. The item should not be deposited and then withdrawn from the account.
- 9.19 Issuers are expected to follow Federal Regulation CC: Availability of Funds and Collection of Checks 12 CFR 229. Issuers that apply a different funds availability policy that is more liberal than the Federal Regulation CC: Availability of Funds and Collection of Checks 12 CFR 229 may not hold an Acquirer liable for losses that would have otherwise been prevented by placing appropriate holds.
- 9.20 Acquirers acknowledge that participant Guest Members have or will come to expect that they are able to obtain certain services, as appropriate, at CO-OP Shared Branch locations. Acquirers will, at all times, give prompt, courteous, and efficient service to all participant Guest Members; will perform work competently; and in all business dealings with participant Guest Members will be governed by the highest standards of honesty, integrity, fair dealing, and ethical conduct. Acquirers will avoid acts which would tend to discredit, dishonor, reflect adversely upon, or in any manner injure the reputation of the Acquirer, state network, the CO-OP Shared Branch Network or Co-op Solutions. Acquirers may not single out or refuse service to particular or specific participant Issuer credit unions.

- a.** It will be optional for an Outlet to perform transactions for a Non Guest Member that is transacting on behalf of an actual Guest Member provided that:
- The decision to not accept Non Guest Member transactions on Guest Member accounts is the same policy for the acquirer's own members **and**
 - The decision to not accept Non Guest Member transactions is handled consistently for all Guest Members **and**
 - All Outlet locations under the same Outlet Owner handle the decision to not accept Non Guest Member transactions the same **and**
 - The Outlet Owner is liable for fraud that results from the risk of accepting Non Guest Member transactions performed on behalf of an actual Guest Member
 - Non Guest Members are limited to deposits and payments only
 - ID validation and documentation of validation must be performed the same as it is for Guest Members
- b.** An Outlet may refuse to perform transactions for a Guest Member if the member previously caused them a financial loss or was disruptive. If the service refusal is due to suspicious identification reasons or the Guest Member is unable to provide correct answers to questions asked, an Issuer notification must be sent by email to the Issuer credit union with the following information:
- A summary of the situation and what was suspicious
 - Description of the individual
 - Picture of individual if available
 - What questions were asked and answered incorrectly
 - Any other pertinent information

9.21 On the rare occasion that a member of an Issuer credit union is unruly in an Outlet, depending on the extent of the Guest Member's behavior, the Guest Member may be restricted from access to the CO-OP Shared Branch Network.

An "unruly Guest Member" of an Issuer credit union participating in the CO-OP Shared Branch Network is defined as causing, but not limited to, the following:

- Verbal abuse
- Threats of bodily harm
- Property damage
- Sexual harassment
- Creation of an environment where branch staff or other members feel threatened
- Other incidents or behaviors that cause disruptions or perception of threats

If the Acquirer refuses service to a Guest Member, the following must be executed:

- a.** The MSR reports the Guest Member's behavior to Branch Management.
- b.** Branch Management will talk to the Guest Member and explain the situation and refer the Guest Member to the Guest Member's Issuer credit union, if needed. If the Guest Member refuses to cooperate, the Guest Member will be refused service and asked to leave.
- c.** Regardless of outcome, Branch Management will document the incident and notify the Issuer's Primary Contact via email within 1 business day of the incident. All documentation will be retained for 180 calendar days.
- d.** The Issuer credit union must contact their member via telephone or email within 1 business day of being notified of the incident to explain that the behavior is unacceptable. The Issuer will respond back to the Acquirer confirming the member has been contacted.
- e.** If the Guest Member continues to act unruly during the next visit, the behavior will again be reported and documented, and the Issuer credit union notified, as outlined in items a – d above. Additionally, the Outlet's Primary Contact may request that the Guest Member's Shared Branch privileges be revoked at that specific branch or any of the Acquiring credit union's Shared Branch locations, effective immediately.
- f.** Within 1 business day, the Issuer credit union will be responsible for one of the following:
 - (1) Notifying the member in writing that their behavior continues to be unacceptable and provide warning that their Shared Branch privileges may be revoked if the unruly behavior continues. The Issuer will provide confirmation back to the Acquirer that contact has been made.

OR

 - (2) Notifying the member in writing that their behavior continues to be unacceptable and providing notice that their Shared Branch privileges have been revoked from the specific Acquirer location or any of the Acquirer's locations as requested by the Acquirer. The Issuer will provide confirmation back to the Acquirer that contact has been made and will also provide a copy of the member notification.
- g.** It is essential that both the Acquirer and Issuer communicate via email and by phone to keep track of all incidents. A copy of the email or other correspondence must be sent to CO-OP Shared Branch Management at clientcare@coop.org.

9.22 Participants must appoint Primary, Secondary, Authorizations and Adjustments contacts to interface with CO-OP Shared Branch for Network related issues, as appropriate. All information and notices will be emailed to the Primary and Secondary contacts. These contacts must have operational and management level authorization.

- 9.23 Participants must provide a minimum 90 calendar day notification to the CO-OP Shared Branch Network at clientcare@coop.org or the state network before selecting a new CO-OP Shared Branch certified data processing system, core system, telecom, relocation of systems, name changes and system or other changes that affect Shared Branch. This notice will enable CO-OP to certify with the appropriate third parties effectively.
- 9.24 Participants must adhere to all CO-OP Shared Branch system processing requirements. These processing requirements include:
- Host ISO specifications
 - Most current ISO/BIN file

Section 10.0: Settlement

- 10.1 For participating credit unions using a third party processor, CO-OP Shared Branch will provide processor level settlement to the contracted third party, when technically and operationally available, who will in turn provide institution level settlement to the participating credit unions. For all other participants, CO-OP Shared Branch will provide settlement directly to the credit union.
- 10.2 Acquirer and Issuer credit unions are responsible for auditing, balancing, verifying and correcting the data contained in the settlement reports daily, and/or reconciling any out-of-balance condition.
- 10.3 All settlements between the participants and CO-OP Shared Branch will be accomplished in an automated fashion provided by the data switch provider.
- 10.4 CO-OP Shared Branch and its switch processor(s) will transmit settlement files daily to the appropriate settlement institution. Standardized descriptions will be used for settlement uniformity.
- 10.5 The participant must authorize CO-OP Shared Branch to initiate automated daily transaction settlement and monthly fee billing via ACH settlement. Transactions that occur during the 24-hour settlement window will post via ACH to the participant's account.
- 10.6 Participants must establish a settlement account at an ACH settling financial institution or Federal Reserve Bank ("Settlement Institution") to handle the automated daily settlement of funds and month end fee settlement of Shared Branch activity.

Section 11.0: Teller Platform System

- 11.1 CO-OP Shared Branch holds the **exclusive** right to sub-license its teller platform.
- 11.2 CO-OP Shared Branch will sub-license the use of the teller platform software and grant the state networks the right to sub-license to other users within their state networks.
- 11.3 State networks and participant credit unions wishing to utilize the CO-OP Shared Branch teller application will be required to complete the appropriate paperwork.
- 11.4 All CO-OP Shared Branch Outlets must use a CO-OP Shared Branch approved teller platform system. That teller platform system may be provided by CO-OP or the credit union data processor provided it meets network and certification requirements, current and future. All Standalones must install a CO-OP Shared Branch approved teller platform system.
- 11.5 The CO-OP Shared Branch teller platform system software may not be copied or modified by any user without express written consent from CO-OP Shared Branch.
- 11.6 The CO-OP Shared Branch teller platform system must be installed by a qualified technician. CO-OP Shared Branch reserves the right to designate and certify person(s) qualified to install its teller platform hardware/software and certify its functionality through an approved test script. Only authorized personnel may service the teller platform software. Exception requests may be submitted to CO-OP Shared Branch for approval.
- 11.7 Sub-licensees may not, at any time, disclose or disseminate the trade secrets embodied in the licensed software program to any person, firm, organization, or employee who does not need to obtain access thereto consistent with the licensee's use of the software.

Section 12.0: Participation Requirements

- 12.1 The Network reserves the right to establish rules for new credit union issuer and acquirer participation. This may also include a requirement for the number of Outlets to be available for guest members.
- 12.2 The Network reserves the right to establish rules requiring the number of Outlets a credit union must make available for guest members.
- 12.3 Credit union Outlets may be temporarily removed from the Network caused by uncontrollable local or national events. Outlets will no longer be displayed on the Network’s locator services. These situations may include:
 - a. Network approval for temporary removal of Outlet(s) because of local or national disasters.
 - b. Credit union’s decision for a specific emergency that affects the availability of the Outlet.

Outlets must resume their availability a) as soon as possible (no more than 30 days or the Network’s approval for a longer period of time), or b) in the case of disasters, when the Network requests Outlets to be reinstated.

- 12.4 Credit unions are subject to transaction premiums based on their level of Issuer and Acquirer participation. When Issuer transactions equal Acquirer transactions, the credit union is “100% balanced” in their shared branch participation. Premiums are assessed to the Issuer credit union based on their “tier” and 100% is provided to the credit union that had acquired the transaction.
 - a. Premiums are calculated annually or when a credit union permanently removes acquiring Outlets from the Network.
 - b. Premium tiers are determined by the ratio of Issuer transactions to total transactions. They are calculated using all transactions (member verifies and financial transactions), where the ratio = Issuer transactions / (Issuer + Acquirer transactions).

Issuer Transaction Ratio	Issuer Premium Tier
<65%	Balanced, no premium assessed
65% - 74.99%	65% Tier
75% - 99.99%	75% Tier
100%	Issuer Only

12.5 Service Center Licensee Obligations

Licensed Service Centers must agree to operate the Standalone in accordance with the applicable rules of both the CO-OP Shared Branch Network and the applicable state network.



12.6 CO-OP Shared Branch may immediately suspend services to:**a.** A state network or participating credit union:

- (1) If the state network or credit union files for bankruptcy or has a petition filed against it which has not been discharged within ninety (90) days, or becomes insolvent, or if any substantial part of such party's property becomes subject to levy, seizure, assignment, application or sale for or by any creditor or governmental agency, and in any event, CO-OP Shared Branch may declare all amounts due, and to become due, immediately payable.

Due written notice, after the fact, shall be given by CO-OP Shared Branch to all interested parties.

b. A participating credit union:

- (2) If the credit union fails to honor for immediate payment any settlement for transactions rendered on behalf of the credit union, or if the credit union is taken over by either a state or federal credit union regulator or share deposit insurance agency, or if it is ordered to suspend operations and/or ordered to merge or liquidate by any state or federal credit union regulator with competent authority to issue such order or directive.

Due written notice, after the fact, shall be given by CO-OP Shared Branch to all interested parties.

- (3) Upon receiving notice from its designated switch processor that the switch has been notified by any network to which the switch is linked and regularly exchanging transactions that a foreign network has suspended acceptance of transactions from that credit union due to non-settlement of transaction items or for other specific reasons.

This suspension will be immediately communicated to the appropriate state network and participant credit union so that an evaluation can be made regarding continuance of or lifting of the suspension.

12.7 CO-OP Shared Branch may temporarily suspend services to any participating Issuer credit union, Acquirer, Standalone Service Center, Outlet, self-service solution, geographic region, or state network where a disruptive act of nature or other catastrophe severely limits the network's ability to properly provide accurate and timely service under the circumstances.

CO-OP Shared Branch will extend its best efforts to work with the individual organization or group, the affected users and the appropriate vendor and/or switch provider to restore service as quickly as possible.

12.8 In the event that CO-OP Shared Branch invokes any emergency rule, it shall not be liable for direct or consequential damages to any participant in the Network, except for loss due to gross negligence or fraud on the part of CO-OP Shared Branch officers or employees.**12.9** All participants must receive appropriate levels of training including, but not limited to, teller application usage, settlement procedures, and adjustment procedures in accordance with the Network Operating Rules and Regulations. Training will be provided in coordination

with CO-OP Shared Branch, the state network and/or the credit union's data processor.

- 12.10 Participants must educate their members on the services and requirements for engaging in CO-OP Shared Branch transactions.
- 12.11 Issuer credit unions must have a Participation Agreement with CO-OP Shared Branch or the state network and agree to abide by all CO-OP Shared Branch Rules and Regulations, state network policies, procedures, rules and regulations.
- 12.12 Credit unions that plan to close an existing branch of their credit union and redirect Guest Members to area Shared Branch Outlets must provide a minimum of 90 days' notice to Guest Members. Area Acquirers must also be informed of the closure so they may anticipate and be prepared for any additional volume they may realize as a result of the Issuer's branch closing. For a summary of notification requirements and timeframes, see item 5.12 in Section 5.0: Acquirer Facilities – Branch or Self-Service. Failure to follow these requirements may result in fines as outlined in Section 17.0: Non-Compliance, Warnings and Fines.
- 12.13 Issuer credit unions are responsible for handling subpoenas or court orders regarding Guest Members. If both the Issuer credit union and Outlet Owner are named, both credit unions will work together on the processing of these legal instruments.

Outlet Owners receiving subpoenas named as being the Guest Member's credit union must notify the issuing agency and explain clearly that the Guest Member is not a member of the credit union named in the subpoena. The Outlet Owner will provide the correct name and address of the Guest Member's credit union

Section 13.0: Sub-Switching/Surcharging/Fees

- 13.1 CO-OP Shared Branch's network is intended to operate as an extension of each participating credit union's service delivery system. CO-OP Shared Branch requires each participating credit union, on an ongoing basis, to promote the services of and cooperate with the network in extending services to the credit union's members.

CO-OP Shared Branch does not prevent participating credit unions from establishing member fees for Shared Branch services. However, CO-OP Shared Branch requires credit unions to apply any fee rules regarding member activity at Shared Branch offices no differently than for member activity conducted at the credit union's own proprietary facilities. If a credit union establishes a usage fee for its members visiting shared branches, the fee must be consistently applied to all CO-OP Shared Branch locations. Specific locations or Acquirers may not be singled out and higher fees may not be charged to members visiting those specific locations.

To provide CO-OP Shared Branch with adequate notice of a credit union's intent to establish fees for Shared Branch services and to ensure that such a fee policy does not violate the spirit and intent of CO-OP Shared Branch, credit unions are required to provide a description of the credit union's fee policy for review to either their state network or CO-OP Shared Branch, at least 30 calendar days before any notice of such fees is communicated to the credit union's members.

- 13.2 It is the intent of CO-OP Shared Branch and all participants that credit union members that perform transactions on the network are not surcharged in addition to standard fees.

Participants agree that surcharging to Guest Members is prohibited at all CO-OP Shared Branch locations operational on the Shared Branch Network.

Acquirers shall not charge Guest Members of participating credit unions for conducting transactions for which the Acquirer receives interchange (fee income).

This is not intended to limit the Acquirer from directly charging the Guest Member an additional fee for optional ancillary services as follows:

- Services that may otherwise be performed at an ATM or Shared Branch Express terminal
- Credit card advances
- Traveler's checks/travel cards
- Money orders
- Check withdrawals (if check is made payable to someone other than the member/joint)
- Official checks
- Coin counting
- Manual cash counting for more than 100 bills
- Stamps
- Movie tickets

- Theme park tickets
- Entertainment discount books
- Notary services, if available
- High volume check fees (This fee may be charged when more than fifteen (15) items are presented. Starting with the 16th item, a fee of not more than \$0.20 per item may be charged to the Guest Member.)

Note: The above list of optional ancillary services is not intended to be exhaustive. The intent of this sub-section is to not surcharge a Guest Member for Shared Branch transactions where interchange is earned, while still providing flexibility to the Acquirer to charge for optional services. For example, coin counting: It is acceptable to provide coin counting for one's own members for free, but charge a Guest Member a fee. Coin counting is not a Shared Branch transaction and does not earn interchange.

- 13.3 All acquiring Shared Branch locations must display a Guest Member fee schedule of services provided for which a Guest Member will be directly charged at the time of services. This Guest Member fee schedule is to be posted in a conspicuous area within the Shared Branch location and must be identified as Shared Branch ancillary fees.
- 13.4 Shared Branch Guest Member fees that are deemed to be excessive or outside the norm for what is commonly offered by other Shared Branch participating credit unions are subject to review by the CO-OP Shared Branch Network.
- 13.5 A participating credit union, state network or vendor that persists in violating the rules in this section may be penalized as outlined in Section 17.0: Non-Compliance, Warnings and Fines.

Section 14.0: Shared Branch Express Terminals

- 14.1 Some SBX locations may have the ability to assist Guest Members at the teller window when certain transactions are not available through the SBX terminal. For example: a check withdrawal payable to a third party or items that cannot be accepted at the terminal.
- 14.2 Not all SBX terminal owners may have the ability to assist Guest Members with transactions at the teller windows.
- 14.3 Guest Members must authenticate themselves to gain access to the terminal. Unique account information, confidential personal information as well as an access device or code will be required.
- 14.4 SBX terminals may have a help-phone at the unit for Guest Members to request assistance with authentication, use of the terminal or access reset. Phone assistance is not available for assistance with Shared Branch transactions. Staff at the location is required to provide that assistance to the Guest Member.
- 14.5 The SBX terminal allows the Guest Member the choice to use traditional ATM services as well as CO-OP Shared Branch services at the same terminal, for example, a cash withdrawal.
- 14.6 If a Shared Branch Outlet also has an SBX terminal at the same location, the Outlet Owner may require Guest Members to use the terminal instead of a teller in certain scenarios, provided the same requirement exists for their own members. For example, a cash withdrawal that is within the dispense limit of the terminal may be required to be performed at the terminal versus a teller window.

Section 15.0: Fraud Prevention and Detection

All participant credit unions are to establish monitoring policies and procedures to ensure existing members continue to qualify for the products and services listed below. This should be handled via an automated process if the credit union software system has this capability.

- New accounts – establish a waiting period
- ATM access
- Debit card access
- Checking accounts
- Loans or credit cards

If an existing member does not qualify for one or more of the aforementioned products and services, they do not qualify for Shared Branch services. The credit union's member notification rules must be followed.

15.1 Flagged and Restrictive Accounts/Joint Owners

- The Issuer credit union is required to examine their membership database on a regular basis to ensure flags and holds are operating properly, especially new accounts and joint owners. If a member or joint owner is denied access through Shared Branch, the entire account must be blocked so the MSR at the Outlet cannot retrieve any information on the account.

15.2 Network Fraud Alerts

- CO-OP Shared Branch's Account Fraud Mitigation Department **must be notified immediately** at ATO@coop.org of any fraud activity that may impact the CO-OP Shared Branch Network or its participants.
- Information needed:
 - Type of fraud committed
 - Account information
 - Credit union(s) involved
 - Location(s) involved
 - Dollar amount, type of item, etc.
 - Characteristics of fraud being committed
 - Contact information at the credit union
- Fraud alerts are sent out the same business day or by the next business day after they are received by Account Fraud Mitigation and posted on CO-OP Shared Branch's website. Updates are sent out by CO-OP Shared Branch as information becomes available.

15.3 Fraud E-Mail Requirement for Reporting Fraud

It is CO-OP Shared Branch's commitment to assist all credit unions in combating fraud as much as possible. Communication of fraud information is extremely important in dealing with this issue. Fraud alerts consist of information received from credit unions, CUMIS and Credit Union Associations.

The Fraud Suspect and Fraud Profile Form must be used to communicate fraudulent activity to CO-OP Shared Branch for broadcasting to all the participating credit unions in the network. **This form is to be used to report fraud to CO-OP Shared Branch only and must not be used for any law enforcement agencies or insurance organizations.**

Note: See the CO-OP Shared Branch Forms section in this document for the Fraud Suspect and Fraud Profile form.

Each credit union is required to set up e-mail within the credit union for receipt of these fraud alerts. The e-mail should be set up to allow auto distribution of the information to selected individuals assigned with the task of notifying the rest of the organization. This will ensure the fraud alerts are handled timely at the organization.

By having this e-mail set up as a group, the credit union will not have to notify CO-OP Shared Branch of staff changes, and it ensures that the information is getting to those departments and individuals that need it to help prevent as much fraud as possible.

15.4 Fraud Investigations-Responses to Requests for Additional Information

Credit unions must respond within five (5) business days to requests from the Network for information related to fraud investigations. Failure to respond after three (3) requests can result in termination of network participation and result in loss liability shifting to the non-responsive credit union.

15.5 Co-op Cooper® Fraud Analyzer – Account-Based Transactions

To further assist in protecting against fraud, each credit union will be required to have their account-based transaction activity monitored by the Co-op Cooper Fraud Analyzer solution. Upon detection of potential fraud, Cooper will generate a report with the details of the potentially fraudulent transaction(s), and the report will be distributed to the Issuer credit union's Cooper fraud contact(s) for review and follow-up with their member.

Note: A credit union may choose to have different Cooper fraud contact(s) than the contact for general fraud alerts referenced in section 15.3. However, it is encouraged to use a client group email whenever possible.

It is critical to follow up with the member as soon as possible to determine whether a suspect transaction is actually fraud, and provide the findings to the Cooper fraud team.

For additional information and procedures related to Cooper Fraud Analyzer, please reference the Co-op Cooper Fraud Analyzer User Guide located in the Co-op Knowledge Center, via MyCo-op. Search for "Cooper Fraud Analyzer".

Section 16.0: CO-OP Shared Branch Brand Usage Requirements

CO-OP Shared Branch has created a name and image that says who we are and what we do. The logo, type, style, color, etc., are all used consistently throughout communications to members. The CO-OP Shared Branch logo is a registered service mark of the CO-OP Shared Branch Network and is a symbol of convenience for Guest Members of participating credit unions. Additionally, the CO-OP Shared Branch logo is reserved for the exclusive use of the participants, or by express permission of CO-OP Shared Branch.

The following requirements are for use by participants in the design and production of advertising and promotional materials. The primary objective of the requirements is to create a consistent image. Reproduction of the logo is only allowed from the CO-OP Shared Branch Brand Usage Requirements provided herein.

Failure to adhere to the CO-OP Shared Branch Brand Usage Requirements may result in fines as outlined in Section 17.0: Non-Compliance, Warnings and Fines.

16.1 Right to Use the Service Mark

CO-OP Shared Branch grants to its contracted participants a nonexclusive and nontransferable license to use and display CO-OP Shared Branch service marks, trademarks and logos solely in connection with identifying Shared Branch services, as defined and approved by CO-OP Shared Branch. This logo and service mark may be used by contracted credit unions and state networks in marketing materials to promote Shared Branch participation as either Issuer or Acquirer.

CO-OP Shared Branch owns the exclusive right, title and interest of the logo "CO-OP Shared Branch." Participants may use the logo only in connection with marketing and providing the services acquired from CO-OP Shared Branch. In addition, Acquirers shall use the logo in connection with the conduct of their CO-OP Shared Branch Outlets. Participants shall use the logo only for so long as the right and licenses remain effective. Participants shall not, either during or after the term of its Agreements with CO-OP Shared Branch or their state network, do anything, or aid or assist any other party to do anything, which would infringe upon, harm, or contest the rights of CO-OP Shared Branch in any of its logos.

Third party vendors or other non-credit union parties may not display, promote or associate unsanctioned services with the CO-OP Shared Branch logo without the express written consent of CO-OP Shared Branch.

16.2 Logo Requirements for Acquirers/Outlets

Signage:

Every Outlet location must prominently display the CO-OP Shared Branch logo outside and inside the Outlet location. This creates Guest Member awareness and promotes use. **CO-OP Shared Branch signage must be maintained at all Outlets.**

Signage is required on the front lobby doors, main entrances or windows as well as inside the Outlet location near the CO-OP Shared Branch teller window where the Guest Members can identify the credit union as a CO-OP Shared Branch location. The inside signage can include Shared Branch member fee schedules and/or Shared Branch funds availability information containing the CO-OP Shared Branch logo. Building exteriors, pedestal signs and lobby doors provide excellent visibility and help promote the brand to Guest Members. If landlord/building restrictions prevent the signage from being present on the exterior, the logo can be displayed at individual teller stations. ATMs and kiosks where Shared Branch transactions are accepted must include the CO-OP Shared Branch logo on the unit or surround in the same place as the required Network Logo Grid is placed.

Outlet Owners must operate, advertise, and promote the CO-OP Shared Branch it operates under the designation "CO-OP Shared Branch," without the addition of any prefix, suffix, or any other name or names and only at the locations that actually service Guest Members.

Checks, Transaction Requests/Vouchers or Receipts:

The CO-OP Shared Branch logo must appear on Shared Branch checks, transaction requests/vouchers and receipts issued by the Acquirer when provided to the Guest Member. The use of a rubber stamp is permitted.

16.3 Logo Service Mark and Alternate Logo Guidelines

Refer to the Graphics Standard Manual for Credit Unions at http://info.co-opfs.org/rs/582-ILL-550/images/CO-OP_GSM.pdf.

16.4 CO-OP Marketing Portal

The CO-OP Marketing Portal includes a range of essential marketing campaigns and materials to promote the CO-OP products and services that credit unions or state networks participate in. Available in both print and digital formats, users can simply customize, download, and roll out campaigns to create awareness of the products and services available to members. Featuring print-on-demand materials such as posters, statement inserts, brochures and more, most items can be customized and ordered directly from the Marketing Portal. Visit <http://marketingportal.co-opfs.org> to sign up.

Section 17.0: Non-Compliance, Warnings and Fines

Failure to adhere to the Operating Rules and Regulations outlined in this document may result in warnings, fines, or both. This section specifies warnings and fines to be administered as a result of non-compliance.

It is not the intent of the CO-OP Shared Branch Network to implement unwarranted or excessive penalties, but rather, provide a standard framework for compliance and consistent penalties for non-compliance. However, the Network reserves the right to modify penalties for non-compliance that may include warnings, monetary fines and up to expulsion from the Co-op Shared Branch Network.

Clients will be notified of the incident of non-compliance and any associated warning or penalty. Clients will have 30 calendar days to dispute the incident of non-compliance.

Penalties will be processed via the monthly invoice in the month following initial notification unless disputed.

Rule Section	1st Incident	2nd Incident	3rd Incident	Additional Occurrences	Comments
Neutrality/ Solicitation 2.4 – 5.7 - 8.3.b	Warning	Future release	Future release	Future release	Future release
Lead time requirements for branch closure 5.12	Warning	Warning	Future release	Future release	Future release
Participation 12.3	Warning	Warning	Future release	Future Release	Future Release
Brand Usage 16.0	Warning	Warning	Future release	Future release	Future release

Exhibit A: CO-OP Shared Branch Guidelines

June 4, 2018

Please note that this Exhibit has been renamed in order to properly refer to what follows as guidelines. Any legitimate requirements should also be documented in a prior section. If any discrepancies exist, the rule as written within the prior section should be used. As a more formal Operational Guide is developed, including participant contributions of best practices, the content of this Exhibit will transition into that guide.

I. Operating

A. Hours of Operation

Standalone Service Centers are encouraged to provide services to members during the following hours:

Monday to Friday 9:00 a.m. to 7:00 p.m.

Saturday 9:00 a.m. to 5:00 p.m.

Other Acquirers may operate using their normal schedule.

All Acquirer locations must provide their schedule to CO-OP Shared Branch for display on the Network's locator services. Acquirers are responsible to ensure that the information CO-OP Shared Branch advertises for their respective locations/Outlets is accurate and up-to-date. An Acquirer must notify its state network or CO-OP Shared Branch of its plans for the relocation of an Outlet at least 90 calendar days in advance.

Except for legal holidays, any closing observed by the Acquirer (e.g., data processing conversion, etc.) must be identified to their state network or CO-OP Shared Branch initially and on an ongoing basis. Notice to the members must be published 60 calendar days prior to the dates being observed.

B. Holiday Schedule

While Acquirers are encouraged to follow the standard holiday schedule for the Federal Reserve Bank, Standalones and Outlet locations may establish and follow their own holiday schedules. If an Outlet is open to serve their own membership, then they must also accept Guest Members during these same hours.

C. Services Offered

Standalones and Outlets, at minimum, will provide the following services:

- Deposits
- Withdrawals (cash and check)

- Account inquiries
- Statement prints
- Transfers
- Loan payments
- Loan advances

Self-service solutions:

ATM/ITM/SBX

- Deposits
- Withdrawals (cash)
- Account inquiries
- Statement prints
- Transfers
- Loan payments
- Transfers between sub-accounts for the same member

Mobile and Call Center applications:

- Account inquiries
- Statement prints
- Transfers between sub-accounts for the same member

Exceptions are to be approved by CO-OP Shared Branch.

D. Changes in Rules and Regulations

These Rules and Regulations are established by the management of CO-OP Shared Branch in cooperation with members of the Shared Branch Task Force. CO-OP Shared Branch may revise the Network Operating Rules and Regulations as deemed necessary, typically once annually.

These Rules and Regulations may be amended, changed and/or deleted by action of the CO-OP Shared Branch Management. Future changes in Rules and Regulations will be effective upon sixty (60) calendar days' notice, except for emergency rules, which relate to time sensitive issues.

Emergency rules will take effect as directed by the CO-OP Shared Branch Management. Emergency rules **MAY** apply to all, some or specific participant(s) as the nature of the circumstances require. Emergency rules are rules that may be practical, reasonable and necessary within the circumstances creating the emergency. CO-OP Shared Branch Management may authorize a designee to temporarily amend, create or enforce any or all emergency rules. Such action(s) are to be reported to the affected Network participants within forty-eight (48) hours whenever implementation of an emergency rule affects more than 10% of Network participants.

E. Accessing Accounts Via Teller

Refer to Exhibit A, Section II: Shared Branch Transactions.

F. Accessing Accounts at Self-Service Solutions

An account may be accessed through the entry of the member's credit union name and member account number.

Members must enroll and establish a personal identification number (PIN) to use a Shared Branch self-service solution (kiosk).

First-time users (members) may be asked to enroll for self-service usage and create a PIN for subsequent member visits. CO-OP Shared Branch recommends the following steps for the enrollment process:

- (1) The member inserts any card (credit card, debit card, driver's license, etc.) for the purpose of reading the member's name on the Track data of the magnetic strip. The process is similar to that used at airports for issuing boarding passes to passengers.
- (2) The member's photograph is taken.
- (3) The member must confirm the last five digits of their Social Security Number and then respond correctly to two out of three of the following: (a) their telephone number, (b) their three to five-digit street number, and (c) their ZIP code.
- (4) If successful, the member is asked to select their PIN and confirm by re-entering.
- (5) If the member fails to successfully enroll and establish a PIN during their initial visit, they must contact their credit union to determine if their correct information is on file.

If the member forgets their PIN, they need to have their PIN block reset. A self-service Acquirer may reset the PIN block for any member who has already used the device. The PIN block reset is best done by the member while at the self-service device if a phone is provided and available for member use.

- (6) Subsequent visits by the enrolled credit union member will require them to insert a valid card and PIN to confirm identification and ownership on the account. The name presented on the magnetic strip will be verified against the account and the PIN validated.

G. Accessing Accounts Via CO-OP Contact Call Center

An account may be accessed by a Contact Call Center agent through the entry of the member's credit union name and member account number or any other agent required authorization criteria. The caller must be an owner on the account number provided. The Call Center agent will identify the member or joint owner to ensure the correct account is being accessed.

Issuer credit unions may elect to "opt in" and participate in the Call Center during initial set up or at any time thereafter as long as they have an active connection to CO-OP Shared Branch network. Credit unions utilizing the service may notify the CO-OP Shared Branch office in writing of their desire to "opt out" of this service for their members at any time. The Contact

Call Center agent will provide member balances, statement history and transfers between a member's account at the same credit union (e.g., savings to checking, checking to loan, etc.). The Call Center agent will provide transactions between different institutions or different member accounts. Other transactions besides those listed above are not available at this time.

The maximum transfer amount allowed per member, in a 24-hour period, via the Contact Center is \$2500.00. [Members wishing to transfer amounts greater than \\$2500 will be referred to their credit union.](#)

Telephone activity via the Shared Branch Network is restricted to the Call Center, and under no circumstances should an Acquirer (Standalone or Outlet) process Shared Branch transactions over the telephone.

The Call Center agent will ask the caller to provide at minimum the following:

- (1) Credit union name and state (main branch state)
- (2) Credit union account number
- (3) Caller name. Caller name must be either a primary or joint name on the account.

The member must confirm at least the last four digits of their Social Security Number and then respond correctly to a minimum of two additional verification tests asked by the agent, such as:

- Their date of birth (if provided by the Issuer credit union)
- Street address of record on the account
- Phone number of record on the account
- If there is a joint owner and if so, what is the name
- What types of accounts they have
- Additional verification information may be requested by the agent.

After successful identity validation, the Contact Call Center agent will assist the caller with balance information, perform a transfer within the same member account number (savings to checking, checking to loan, etc.).

If at any point the member cannot answer a question correctly, the member will be referred to their credit union. The agent will not inform the member what information is incorrect.

H. Account Warnings and Messages

All warnings and messages must be followed if presented by the Issuer and displayed by the Acquirer's terminal platform. If a member or account-level message is unclear, the member's credit union is to be contacted prior to processing the transaction. It is essential that warning messages be written in a manner that Acquirers can understand. Issuers must avoid using "buzz words," codes or abbreviations.

Issuers must not rely solely on warning messages for preventing activity; account access must be restricted or blocked when appropriate. If the Acquirer is unable to process an online

transaction due to an account being flagged, blocked or restricted in any manner, the member must be referred to their credit union.

I. Serving Members with Flagged Accounts

If the Issuer credit union desires to limit services available to members at Shared Branch locations, the Issuer credit union must establish authorization limits for the member on their host system or flag/restrict the account(s) from access at Acquirer locations.

If the accounts are restricted, Acquirers are typically unable to perform any transactions on those flagged accounts regardless of the source of funds (cash or check).

If the flag or denial message is received while attempting to perform a member verification, the Acquirer must refer the member to their credit union for removal of the flag or other account restriction.

If the flag is received while attempting to perform a monetary transaction, the branch staff may contact the credit union via telephone and follow up via email with additional detail as necessary, for authorization or refer the member to their credit union. Branch staff must document the following when receiving authorization:

- Name (first and last) of authorizing person and title
- Phone number and extension
- Date and time of call

If the Issuer credit union is unavailable or denies authorization, the Acquirer must refer the member to their credit union.

Overriding any transactions denied by the issuing credit union is prohibited. Acquirers that “force post” transactions denied by the Issuer accept responsibility for any loss amounts incurred as a result of overriding the transaction(s).

J. Specially Titled Accounts

Specially titled accounts or accounts with restrictive ownership will not be accessible through Shared Branch. This would include such accounts as Estate, Fiduciary (Conservator/Guardian/Representative Payee), Infant Compromise, UTMA (uniform transfer to minors), Power of Attorney, etc. Often these types of accounts have specific paperwork and/or court orders describing account activity and transaction restrictions.

If the Acquirer receives a transaction request for these types of accounts, the member may need to be referred to the Issuer credit union for proper handling. When possible though, the Acquirer is encouraged to contact the Issuer credit union to determine whether, in fact, the transaction may be processed through Shared Branch. For instance, the deposit may be to a simple trust account and be easily processed for the member. If ownership is not clear and the Acquirer elects to call the Issuer for approval, the Acquirer must note the date, time and employee’s first and last name, then proceed with the transaction as indicated by the Issuer.

K. Signature Verification

Outlet personnel may request verification of a Guest Member’s or joint member’s signature from the Issuer credit union. The Issuer credit union will ultimately be responsible for determining the validity of and approving the member’s signature.

L. Offline Transactions (Optional)

The CO-OP Shared Branch Network-approved Offline Policies and Procedures are used to perform the following member transactions during offline mode:

<u>Transaction Type</u>	<u>Limits</u>
Deposit	Unlimited
Withdrawal	Unavailable
Transfer	Unavailable
Balance Inquiry	Unavailable
Loan Payment	Unavailable
Loan Advance	Unavailable

Note: Emergency Disaster Recovery rules will apply when authorized by CO-OP Shared Branch. Specific instructions will be provided to Acquirers during such disaster recovery events.

In the event the Outlet or Standalone Service Center is unable to post a transaction, the following procedures apply:

- (1) Using an offline transaction form, the MSR will obtain the offline member information necessary to perform a transaction:
 - a) Credit union name
 - b) Member name
 - c) Member account number
 - d) Member account description (if known)
 - e) Member Social Security Number
 - f) Day and evening phone number
 - g) Signature and picture identification
- (2) An offline receipt will be generated and completed by the MSR and signed by the Guest Member.
- (3) The Guest Member will receive the duplicate offline receipt.



(4) Transaction procedure when communication is re-established:

Step 1 ⇒ The MSR will post the transaction as the system becomes available. The transaction will include a member verification, the transaction request and host approval. **The transaction must be posted within 24 hours (excluding weekends and holidays) of the receipt of the item. If the transaction cannot be completed within 24 hours of being accepted, the Outlet will complete the appropriate adjustment and submit it for processing.**

Step 2 ⇒ A copy of the new on-line receipt will be attached to the original Offline Transaction Form.

M. Safeguarding Information

Acquirers will provide reasonable safeguards to ensure the safety of all negotiable instruments and cash pursuant to regulations of any state and federal supervisory agencies. In addition, Outlet Owners will establish safeguard measures, as well as defined responsibilities and accountabilities in place with its third-party vendors, record transporters, servicers and others that have access to non-public personal information of Guest Members.

Furthermore, in the event a security breach occurs at, by, or that is attributable to the Outlet Owner that involves confidential information, theft of receipts, records, deposited checks/items, electronic data, etc., the Acquirer/Outlet Owner shall reimburse participant(s) for all costs and expenses reasonably related to the breach including losses from fraudulent withdrawals on compromised accounts and other costs such as all reasonable and customary costs incurred by participant(s) associated with a third-party fraud/identity theft-monitoring service.

N. Supporting Documentation

Acquirers shall provide transaction data to any Issuer upon request if there is an alleged error or dispute. All requests for information must be timely and reasonable in nature. Issuers may make reasonable requests for copies of checks deposited when unusual circumstances dictate further review of the deposit is appropriate. Issuers must not expect that Acquirers will provide routine information on a daily basis for making hold decisions, etc. Issuers are encouraged to have standard holds in place for handling routine daily check deposits.

O. Check Presentment and Collection

Acquirers will present for collection all checks (items) received for deposit in accordance with guidelines outlined in Uniform Commercial Code (UCC) – Bank Deposits and Collections Article 4 and in compliance with Federal Regulation CC, Article 229 governing check availability. Acquirers will exercise ordinary care under these regulations and guidelines by taking proper action before its standard deadlines following receipt of an item.

It is expected that Acquirers present items for collection on the same day as deposited by the Guest Member. If an Acquirer holds items until the next business day, the Acquirer may be held liable for losses on delayed returned items as a result of such practice if funds are not recoverable.

II. Shared Branch Transactions

A. Member Verify/Account Inquiry

Member verify and account inquiries may be obtained for member share, loan, and credit union-defined investment accounts. An account may be accessed through the entry of the member's credit union name and account number.

1. CREDIT UNION NAME and ACCOUNT NUMBER (PREFERRED):

Select/enter the member's Issuer credit union name and account number.

2. REVERSE LOOK-UP (OPTIONAL):

Note: Potential risk is inherently greater with the use of Reverse Look-Up and is not recommended by CO-OP Shared Branch Network. The Outlet Owner accepts liability for fraud as a result of the use of Reverse Look-Up. Grievances will not be reviewed when Reverse Look-Up is used.

Reverse Look-Up (RLU) is ONLY for the Guest or Joint Guest Member when the Guest or Joint Guest Member does not have their account number. RLU options available include:

- Full Social Security Number
- Guest Member's date of birth and at least the last four (4) digits of the member's Social Security Number
- Book Number (if available; the account number found within the MICR line of the member's credit union share drafts/checks)

If the MSR cannot access the Guest Member's account after two (2) tries using an account number and one (1) times using the Reverse Look-Up options, the MSR will refer the Guest Member to their Issuer credit union.

When financial transactions are denied or the accounts are not available, there will be NO additional attempts made to access a Guest Member's account. Contact the Issuer credit union to remove the restriction or refer the Guest Member to his/her Issuer credit union.

Accounts may ONLY be accessed by tellers in the course of performing a financial transaction for a Guest Member or joint owner visiting the Acquirer's branch. Acquirers are prohibited from utilizing Shared Branch inquiries and transactions for non-Shared Branch related activity, e.g., collections, researching available funds on a check presented for deposit to the Acquirer's own accounts.

The MSR will receive a list of account numbers for which the Guest Member is primary or joint owner. (The returned account numbers should display the name, date of birth and ownership for easier identification). When the book number is utilized, the member account number associated with that book number will be returned (meaning they may be different).

The MSR will choose an account number from the list and start a new member verification session. If more than one account number is presented, the MSR may have to perform member verifications on each account number until the correct account is accessed.

Note: It is not recommended that the MSR ever write down the SSN. If the Guest Member insists on writing vs. verbalizing, the Guest Member (not the MSR) must write it and the paper must be returned to the Guest Member for the responsibility of handling its destruction.

3. MEMBER IDENTIFICATION:

Guest Members must present valid identification to the MSR. The Guest Member's ID must be verified by the MSR to ensure the correct account is being accessed. The following are required to be verified:

Photo

- The photo on the ID must match the individual performing the transaction, while taking into consideration common differences that may exist (e.g., use of eyeglasses, hairstyle change, etc.)

Name

- The Guest Member's last name appearing on the identification must match the name appearing on the Guest Member's account, including correct spelling.
- First name must match, while taking into consideration formal versus common name as acceptable (e.g., Thomas versus Tom).
- If a middle name or middle initial is present it must match. The MSR should request verbal confirmation of the middle name/middle initial if listed on the account, but not present on the ID.

Date of Birth (DOB)

- The DOB of the Guest Member must match.
- If the DOB is not present on the form of ID being validated, the DOB should be confirmed verbally against what is listed on the account.

Last 4 SSN

- The last 4 digits of the SSN must match. If the last 4 digits of the SSN are not on the form of ID being validated, they should be confirmed verbally against what is listed on the account.

Signatures

Use of signature pads is acceptable to obtain signatures; however, even the most accurate signatures made via pin pad are difficult to match. When unsure or concerned over signature match, it is permissible to request that the Guest Member provide their actual signature in order to properly verify.

MSR ID Verification Guidelines

- Current ID Checking Guides should be used to validate member identity. Reasonable care should be taken to validate ID appearance, description, configuration, expiration date, coded license numbers, and other security features.
- Additional confirmation from the Issuer credit union may be requested for suspicious or

high dollar transactions.

- Additional information or ID checking software may be used for verification as branch policy or MSR discretion warrants.

The MSR should document that they verified the photo, name, DOB, last 4 SSN and signature. The network does not prescribe how to document verification. The MSR should use the Acquirer's existing process, including how and what information to document (e.g., on the voucher, on the teller system, MSR initials in the upper right corner, writing "DOB" and circling it, etc.).

Note: The intent of validating IDs and recording that validation is to mitigate risk. If an acquirer is paperless, software or imaging systems must provide for the ability to validate IDs and record that validation.

Video Teller initiated transactions still require documentation utilizing Acquirer's existing processes. Identification must be captured and retained at the time of the transaction – required for Video Teller-initiated transactions via an ATM or Shared Branch Express terminal.

Documentation for transactions via an ATM or Shared Branch Express terminal are optional.

Transaction request forms are optional but may be required at the discretion of the Acquirer. In either case, the Acquirer is still obligated to collect and maintain proper documentation. The Acquirer must retain a copy, paper or electronic, of all transaction requests/vouchers or receipts that include the Guest Member's signature in accordance with industry acceptable retention guidelines. A Member signature is required, whether it is on transaction request/vouchers or receipts, paper or electronic.

If a transaction request form is used, then a) Guest Members are required to sign one transaction request form, which can include multiple transactions if they are requested at the same time, or b) additional requested transactions after the initial request require a separate signed transaction request form.

CO-OP Shared Branch accepts all valid forms of identification found in the ID Checking Guide (United States & Canada Edition only). Acquirers are required to maintain a current copy of the ID Checking Guide (or some similar source of information) for use in verifying driver's license, identification and passport characteristics. MSRs must take reasonable care to validate these characteristics when the MSR is unfamiliar with any particular form of identification.

CO-OP Shared Branch Network rules will not override Federal- or State-specific rules.

All valid forms of ID must be current (not expired) and have a photo and signature. The physical ID must be provided. A photo of an ID saved to a Smartphone will not be accepted.

Acceptable forms of identification include:

- Valid State-Issued Driver's License – U.S. and Canada
- Undocumented Federally Restricted Driver's Licenses*
- Valid State-Issued Identification Card – U.S. and Canada
- Valid Passport, U.S. or foreign country if authenticity can be verified

- Valid Permanent Resident Card or Resident Alien Card
- Valid United States Military ID
- Valid Matricula Consular ID card
- Valid Concealed License To Carry (Texas Only)**

*A small number of states have issued driver's licenses to individuals who are unable to provide satisfactory proof that the applicant's presence in the United States is authorized under federal law. These licenses are issued by individual states having all the same characteristics as a regular driver's license but will contain variable restrictions such as "Not for Federal Benefits," "Not Valid for Voting or Public Benefit Purposes," or "Federal Limits Apply," or other similar restrictions. They may be an accepted form of ID provided the MSR/teller finds them to be valid and consistent with any noted security features and without restriction.

Other forms of identification:

Outlets and Standalones are also permitted to use other forms of IDs to be verified by MSRs in addition to those valid forms of ID listed above for member identification purposes. Please note however that these alternative forms of ID have added risk factors associated with them and they therefore carry additional liability for which the Acquirer is solely responsible.

- Minors accessing their accounts must also provide valid state-issued ID cards or passports. Student IDs will not be accepted unless the student is making a deposit only.
- State issued temporary licenses and/or paper driver's license renewals may be accepted if identified as a driver's license renewal, the member provides the original driver's license, and the paper form does not state it may not be used for identification purposes.
- United States Armed Forces Identification cards or Smart Identification cards without a signature is acceptable. In 2001, the military began issuing ID cards with smart chips for active duty and National Guard service personnel; cards with smart chips will not have signatures. Military credit union members may hold an expired driver's license since the military does not require the holder to have a valid driver's license. An expired driver's license or expired ID card may be used for signature verification along with the U.S. military ID. ID cards for military dependents and retired personnel will still contain signatures.
- Tribal ID Card

In addition to verifying the valid form of ID, tellers/MSRs will verify:

- Complete address (if the address on the ID is different from the system address, the teller will verbally inquire as to address on file)
- Last 4 digits of the member's or joint owner's Social Security Number

Acquirers may request additional information from the member if deemed necessary, including:

- Their date of birth (if provided by the Issuer credit union)
- Phone number of record on the account
- If there is a joint owner and if so, what is the name
- What types of accounts they have

These additional kinds of verification may be used in addition to the address and Social Security verification requirements outlined above.

Unacceptable forms of identification include:

- Signature Guarantees
- Power of Attorney
- Gun or pistol permits **
- Paper renewals and/or temporary licenses if the document states it cannot be used for identification purposes or the member is unable to provide the original license.

** Typically, a Concealed Carry License will not be accepted nationally as a valid source of ID in Shared Branches; however, local Acquirers must consider and adhere to any local legislation that might require their acceptance. For instance, Texas law requires Texas credit unions to accept the Texas Concealed Carry License as a valid source of identification. Based on this local law, Texas Outlets/Acquirers are therefore required to accept a Texas Concealed Carry License as valid ID provided the MSR/teller finds them to be valid and consistent with any noted security features.

Joint Owners:

The MSR must verify whether the Guest Member is a joint owner to conduct a transaction on a joint owner account. Once joint ownership has been established, the MSR must only perform transactions on suffixes indicated for joint Guest Membership access.

If the MSR cannot verify joint owner information through the Issuer credit union system, the MSR may either:

- Refer the joint owner back to their credit union
- Contact the Issuer credit union to verify joint ownership
 - Document first name, last name and title of authorizing person, along with their phone number and extension, and the date and time of the call

B. Deposits

An Outlet Owner has the right to refuse acceptance of any item presented for deposit or payment if the item is questionable.

Deposits consisting of both cash and check(s) may be processed as a single transaction, which gives Issuer credit unions the ability to aggregate cash transactions for their members and do any necessary BSA (Bank Secrecy Act) reporting. Refer to Section III, Bank Secrecy Act/Anti-Money Laundering and OFAC Requirements, for further definition and clarification of network policies on BSA. This procedure for qualified cash/check deposits will:

- Require a transaction request form from the member (where applicable)
- Provide a transaction receipt

1. CASH AND COIN

Deposits will be accepted in U.S. currency only.

Rolled coins are optional depending on whether or the Acquirer accepts rolled coins in deposits for their own members.

Currency Transaction Reports (CTRs) will be completed for all cash transactions when appropriate. Refer to Section III, Bank Secrecy Act/Anti-Money Laundering and OFAC Requirements, for further definition and clarification of network policies.

Cash deposits are processed after the verification of a member's identification. MSRs are required to inspect all cash and/or coin accepted for deposit prior to posting the transaction. The amount of coin accepted may vary based on the Outlet's policy. Suspicious currency will be referred to the Standalone or credit union manager, who will inform the proper authorities.

2. CHECK

MSR/Tellers are required to inspect items for negotiability/acceptability using reasonable care, which will include the verification and presence of all noted security features disclosed on the item, such as watermarks and printed instructions. All negotiable items must also meet the following:

- a) Is properly endorsed (actual member endorsement or "Credited to the account of the within named payee" unless otherwise stated on the item)
- b) The payee's name on the check should match the Guest Member's name appearing on the account, while taking into consideration formal versus common name as acceptable (e.g., Thomas versus Tom). If only a middle initial is on the check or no middle initial at all, the MSR should request verbal confirmation of the middle name/middle initial if listed on the account, but not on the check.
- c) Does not have a conditional/restrictive endorsement obligating the MSR or credit union to events other than "to be signed in the presence of the teller" or "for deposit only" or similar wording.
- d) Is not a third-party item (a check written by one person, payable to a second person and endorsed by a third person will not be accepted.)
- e) Is payable to the member or joint owner
- f) Is signed by the maker
- g) Has a current date (less than 6 months old unless otherwise stated on the item)
- h) Is not postdated
- i) Has matching written and numerical amounts
- j) Has a routing and transit number encoded in the MICR line
- k) Check has not been noticeably altered or mutilated
- l) Is payable in U.S. funds and drawn on a credit union located in the U.S.
- m) Is not written in pencil or red ink

- n) Is not a collection item
- o) Is not an insurance draft requiring special handling
- p) Is not drawn on the member's account or joint account at the same credit union to which the deposit or payment is being made
- q) Jointly payable income tax refund and insurance claim disbursement checks will be accepted only if both parties have endorsed the check and are joint owners on the account. (Note: If a Guest Member presents a jointly filed income tax refund check or insurance claim disbursement check and only one is the owner of the account, the item can be accepted if: 1) both payees are present; 2) both personally endorsed the item in front of the MSR; and 3) the MSR properly IDs and documents both valid IDs
- r) The item has not been previously returned
- s) Temporary and/or courtesy checks will be visually inspected to ensure that the MICR information (Routing and Transit number and account number) at the bottom of the check is imprinted with MICR ink

Failure to properly designate a deposited item as described in these guidelines may result in the Acquirer being liable for any loss amount incurred. Liability may result only to the extent the loss was a direct result of non-compliance of these guidelines.

All teller-assisted branches are responsible for coding items deposited at their Outlet location. MSRs/tellers will code items as follows:

Immediate/Expedited = I indicator

- a) Cash Deposits
- b) U. S. Treasury Checks
- c) Federal Reserve or Federal Home Loan Bank Checks
- d) U.S. Postal Money Orders
- e) State or Local Government Checks if the Acquirer (Outlet) is in the same state as the payer of the check

Payroll Checks = P indicator (new)

- a) Must be written for \$2,500 or less
- b) Must be computer-generated
- c) Members must provide the corresponding payroll check stub¹ ("paystub" or "stub) for the check to be given immediate credit. Tellers must make a note in the upper right corner of the check (i.e. "stub") indicating they have viewed the payroll check stub.
- d) The check stub number must match the check number.
- e) The net pay on the stub must match the amount of the check.

¹ A pay stub is part of a paycheck that lists details about the employee's pay. It itemizes the wages earned for the pay period and year-to-date payroll. The items on a pay stub can be broken down into three parts: (a) gross wages, (b) taxes, deductions, contributions, and (c) net pay. When employees are paid with a paper check, the pay stub will be attached to the paycheck.

f) Must be signed by the maker with either a physical or a digital signature.

Payroll checks unable to meet one or more of the conditions above will be coded as Local.

Note: Payroll checks in excess of \$2,500 will be coded as Local even if other conditions described above can be met. Handwritten payroll checks will be processed as Local.

If an MSR is concerned about the validity of a payroll stub, they may choose to call the employer or the financial institution upon which the payroll check is drawn. This is not a requirement; the MSR may decline to process the check as Payroll and process as Local if there is a concern that cannot be validated.

All remaining items will be coded as Local (L indicator) unless the item meets the criteria as required by the Regulations and CO-OP Shared Branch policies for being coded as Immediate or Payroll.

Self-Service Solutions will code checks as Local items.

Immediate = cash only will typically qualify as "immediate" at self-service devices.

Acquirers:

Failure to properly designate a deposited item as described in these guidelines may result in the Acquirer being liable for any loss amount incurred. Liability may result only to the extent the loss was a direct result of non-compliance of these policies and procedures. Acquirers overriding the Issuer's ability to place a hold on deposits by sending an "Immediate" indicator where a Payroll or Local indicator is required, may be held liable for any losses if funds are withdrawn, unless it is determined that the Issuer's hold policies are non-functional or it can be proved that the Acquirer's non-compliance had no direct effect on the outcome and did not contribute to the loss.

On-Us Check Presentment:

Items presented for deposit that are drawn against the Outlet credit union (official check or credit union member's share draft) must be negotiated/cashed against the account the item is drawn on (if feasible) prior to proceeding with the deposit. The negotiating/cashing of item(s) must be handled as a non-shared branch transaction.

Third-Party Checks:

Checks written by one person, payable to a second person and endorsed by a third person will not be accepted, unless directly authorized by the Issuer credit union.

Restrictive Endorsements:

Items with restrictive endorsements will be referred to the Issuer credit union.

Multiple Payee Checks:

Joint or multiple payee checks will be accepted only if all parties have endorsed the check and are owners on the account the check is being deposited to. Signature verification from the Issuer credit union may be requested by the Acquirer.

International Members:

Members of international credit unions may not deposit checks (either checks drawn on U.S. or foreign institutions). Acquirers accepting checks for international members are subject to any loss amounts incurred as a result of any returned or uncollected items. Cash only deposits will be allowed.

Check Endorsements:

Deposits consisting of check(s) are processed after the verification of a member's identification.

All checks deposited utilizing automatic endorsers must be endorsed with the following information:

- | | |
|---|----------|
| ▪ Acquiring Institution Name | Required |
| ▪ Branch or ATM/Kiosk location, as well as city and state information | Required |
| ▪ Current date | Required |
| ▪ Teller number or transaction sequence number | Required |
| ▪ Member Account Number | Optional |
| ▪ Issuing credit union name | Optional |
| ▪ Issuer credit union Routing and Transit number | Optional |

Sample Endorsement:

Acquiring Institution Name
 Branch
 City, State
 Date
 Teller# Tran/Seq#
 Member Acct#
 Issuing Institution Name
 >Issuing Institution R&T<

Note: A truncated Member Account number in the endorsement is permissible and encouraged.

Acquirers using manual written endorsements must contain, at minimum, the following:

- Date of transaction
- Local sequence number
- Branch identifier (may use branch teller stamp if it identifies the location)

Acquirers may be liable for any losses incurred due to insufficient endorsement details that extends research time and results in late adjustments to the Issuer.

MSRs will inform members that a check hold may be placed on the deposited funds in accordance with the member's credit union Funds Availability Policy.

3. CASH BACK ON PREVIOUS DEPOSIT

All checks presented for deposit requesting cash back must be processed with the checks being deposited in full into the member's account and then withdrawing the amount of cash



requested. This will allow Issuer credit unions to place any appropriate holds on the funds. Acquirers not following this procedure and depositing the net amount (check amount – withdrawal of cash = net amount) may be subject to liability on any returned checks.

Deposits requiring cash back are processed after the verification of a member's identification. Items will be deposited in their entirety and then a subsequent withdrawal made if the funds are available.

Currency Transaction Reports (CTRs) will be completed for all cash transactions when appropriate. Refer to Section III, Bank Secrecy Act/Anti-Money Laundering and OFAC Requirements, for further definition and clarification of network policies.

4. SPLIT DEPOSIT

Check deposits cannot be split into more than one account or sub-account. If a member wishes to deposit the proceeds into two or more accounts or sub-accounts, the items must be deposited into one account with the proper hold indicator. If funds are available, a transfer or withdrawal can then be made. If funds are not available, the member will be referred to their credit union.

Deposits are processed after the verification of a member's identification. Items will be deposited in their entirety and then subsequent withdrawals or transfers made if funds are available.

5. MONEY ORDERS

Money orders or equivalent may be available for purchase at all Outlet locations.

Guest Members may purchase money orders with cash or a withdrawal/advance from their account.

Withdrawal limit for money orders will be the funds available in the Guest Member's account, with on-line approval from the Issuer credit union System or Issuer credit union phone authorization for CO-OP Shared Branch participating credit unions.

Follow internal Outlet credit union procedures for logging money order purchases.

All money orders presented for immediate credit must be U.S. Postal Money Orders and will be inspected by the teller for authenticity. Anything other than a U.S. Postal Money Order will be deposited as a local item.

Members of international credit unions (e.g., Ecuador, Mexico, etc.) may not deposit money orders. Acquirers accepting money orders for deposit for international members are subject to any loss amounts incurred as a result of any returned or uncollected items. Cash only deposits will be allowed.

Money orders have been involved in numerous frauds, including Internet scams and counterfeit notes. Postal money orders are specially designed with security features and different colored inks, watermarks, and security thread in the paper. Tellers are required to check for and verify the following security features:

- Ben Franklin images (watermarks) repeated on the left side, top to bottom.

- A dark security thread running top to bottom to the right of the Franklin watermark, with the tiny letters "USPS" facing backward and forward.

Also note that denominations are indicated on two locations. The maximum value for domestic postal money orders is \$1,000. The maximum value for international postal money orders is \$700. Any discoloration of the denomination amounts indicates the number was altered and is fraudulent and, therefore, must not be accepted by the teller.

Note: The United States Postal Service (USPS) launched a money order verification system that tellers may use to verify the validity of a USPS Money Order. This system is an interactive voice response system that credit unions can reach by calling 866-459-7822. Plans are underway for a batch type of system allowing users to verify more than 20 USPS money orders at a time. Using the system, users can verify money orders issued more than 48 hours ago and not older than 90 days.

The system will either verify that the money order was issued by the USPS in the dollar amount entered or respond that the money order does not match the USPS database.

If there is any question as to the validity of a money order being presented for deposit, tellers must verify the acceptability of the item by using the USPS money order verification system.

6. TRAVELER'S CHECKS

Traveler's checks presented for deposit must be inspected by the teller for authenticity.

- Traveler's checks may be available for purchase at all Outlet locations.
- Guest Members may purchase traveler's checks with cash or a withdrawal and/or advance from their account.
- Withdrawal limit for traveler's checks will be the funds available in the Guest Member's account, with on-line approval from the Issuer credit union System or Issuer credit union phone authorization for CO-OP Shared Branch participating credit unions.
- Follow internal Outlet credit union procedures for logging traveler's checks purchases.

Tellers are required to inspect traveler's checks to verify the following security features:

- A watermark appears only on the front of the check.
- A holographic thread is there and it is not shiny or reflective.
- Verify that the traveler's check paper is not very smooth or thick, which potentially indicates that it is a fake check. Also run a finger over the printing, as several brands include raised printing on their checks.
- Examine the signature box to make sure that it is not smudged or appears in a color that is slightly different, which might mean that the original signature of the check may have been removed and replaced.
- Require that the check be signed in front of the teller. Compare their signature and the counter signature.
- Check the member's ID to see that the signature and the information match that of the check. If the teller is unsure, at a minimum, call the contact number for the Issuer and confirm the name on the check using the serial number. Follow up via email with

additional details as necessary.

C. **Withdrawals**

1. CASH

Cash withdrawals will be processed only after the member is properly identified and a valid photo ID is presented to the MSR.

Outlets are required to make available a minimum of \$500 in cash, per member, per day, based on funds availability of member's account. Outlets that participate in the Network and are publicized as "cashless" branches are exempt from this requirement.

If a joint owner is requesting a cash withdrawal from a specific account, verification must be obtained to authorize the withdrawal from that account.

2. CHECK

Check withdrawals will be limited to the total amount of daily limits and available funds and can be processed only with online authorization from the Issuer credit union.

Acquirers are encouraged to have the CO-OP Shared Branch logo appear on all check withdrawals.

Upon notification from the member, the Acquirer credit union will place stop payments on checks issued by the Acquirer credit union that are lost, stolen or destroyed. A replacement check will be issued, or an adjustment made to the Guest Member's account in accordance with the Acquirer's own check replacement policy. The service center or Outlet may require the member to complete an affidavit stating the check was lost or stolen.

The Acquirer credit union will follow the procedures established by its third-party vendor (corporate credit union, etc.).

3. CHECK WITHDRAWAL – CASHED CHECK FROM ACCOUNT – limited availability

Participating Acquirers will provide an optional service where members and non-members may present a share draft to be cashed/cleared against the payer as an immediate withdrawal. When share drafts are presented and handled as direct share withdrawals, the Acquirer provides the draft numbers, which are transmitted in the electronic message to the Issuer. State networks may establish separate check withdrawal cashed check policies for state network credit unions. This transaction is not currently available to all CO-OP Shared Branch Issuers and Acquirers.

Available to Standalones in limited markets.

4. CHECK CASHING

Checks will not be cashed. All checks must be first deposited and funds withdrawn based upon online approval, funds availability and check holds as defined by the issuing credit union.

Checks can be cashed for only members of participating Shared Branch credit unions. State networks may establish separate check cashing policies for state network credit unions.

Members of international credit unions may not deposit checks (either checks drawn on U.S. or foreign institutions). Acquirers accepting checks for international members are subject to any loss amounts incurred as a result of any returned or uncollected items. Cash only deposits will be allowed.

5. TRANSFERS

Share to share and share to loan transfers may be processed within the same member account (to sub-accounts). Acquirers (excluding the Shared Branch Outlet Call Center) will have the ability to perform a transfer transaction between different Issuer credit unions or different member accounts within the same Issuer. All transfer requests, including credit union to credit union requests, must be processed as transfers. Cash withdrawals and deposits must be avoided since they could result in Currency Transaction Report implications.

6. LOAN PAYMENT EXCEPTION

A loan payment will not be accepted if the Issuer credit union denies the transaction (e.g., bankruptcy, foreclosure, repossession, etc.)

Acquirers will refer members to their respective credit unions for additional information and instructions.

Loan payments are processed after the verification of a member's identification.

Currency Transaction Reports (CTRs) will be completed for all cash transactions when appropriate. Refer to Section III, Bank Secrecy Act/Anti-Money Laundering and OFAC Requirements, for further definition and clarification of network policies.

7. LOAN ADVANCE

The Issuer credit union will be responsible for member notification of payment or APR changes subsequent to an advance obtained from an Outlet.

D. Other Transactions

1. REVERSALS

Errors must be corrected using a reversal if found the same day. Transaction errors found after the day the transaction is posted must be processed as an adjustment. Best practice would indicate the reversal must be performed while the member is at the Acquirer location. If an error is discovered after the member completed their transaction, consideration should be given to contacting either the member or the Issuer credit union to inform them of the correction.

2. LARGE FINANCIAL TRANSACTIONS

Financial transactions over \$999,999.99 require approval for settlement. Co-op Client Care will be notified by the Network when a financial transaction exceeds \$999,999.99. Co-op Client Care will contact the Acquirer to verify the amount. If the amount was valid, the settlement will proceed.

Note: Settlement may extend at least one day for these types of transactions.

If the Acquirer determined the transaction occurred in error, they will be required to submit an adjustment and there will be no settlement.

III. Bank Secrecy Act/Anti-Money Laundering and OFAC Requirements

The Currency and Foreign Transactions Reporting Act, also known as the Bank Secrecy Act (BSA), and its implementing regulation, 31 CFR Chapter X, is a tool the U.S. government uses to fight drug trafficking, money laundering and other crimes. Congress enacted the BSA to prevent financial institutions and other financial service providers from being used as intermediaries for, or to hide the transfer or deposit of money derived from, criminal activity.

The reporting and record keeping requirements of the BSA regulations create a paper trail for law enforcement to investigate money laundering schemes and other illegal activities. This paper trail operates to deter illegal activity and provides a means to trace movements of money through the financial system.

A. Currency Transaction Reports

A participating credit union must file a Currency Transaction Report (CTR) (online form for CTR e-Filing) for each transaction in currency (deposit, withdrawal, exchange, or other payment or transfer) of more than \$10,000 by, through, or to the credit union. A CTR must be prepared by the Acquirer/Outlet Owner on a cash transaction(s) of \$10,000.00 or more that is made for either one Issuer credit union or multiple Issuer credit unions, and is made by or on behalf of the same person at the same time or when the Acquirer has knowledge that multiple cash transactions are being made by or on behalf of the same person during any one business day².

“Cash-in” and “Cash-out” transactions must be considered separately and not combined in any manner, but may be reported on a single CTR filling in both *Total Cash In* (Item 26) and *Total Cash Out* (Item 27). Refer to examples in the CTR instructions.

Acquirer/Outlet Owners and Issuer credit unions are responsible for determining when circumstances require the filing of a CTR, reading and understanding the CTR form and its instructions and accurately completing the CTR form and timely filing it with the appropriate government agency.

A copy of the CTR, completed pursuant to the procedures below and signed by the Acquirer/Outlet owner, must be filed with the appropriate agency on a timely basis, but not later than what is allowed according to the Regulation. Please refer to the CTR for the proper agency filing address.

When there is a single Issuer credit union, the Acquirer/Outlet is responsible for scanning/emailing a copy of the CTR to the Issuer credit union. Because of potential privacy concerns, Outlets will NOT scan/email copies of CTRs to Issuers when multiple Issuers are included on the same CTR. Issuer credit unions will have the ability to request the appropriate details and CTR information from the Acquirer/Outlet owner when multiple Issuers are involved or if the Issuer doesn't receive CTR information from the Acquirer/Owner and they

² The CTR instructions concerning aggregation state “Multiple transactions must be treated as a single transaction if the financial institution has knowledge that (1) they are by or on behalf of the same person, and (2) they result in either currency received (Cash In) or currency disbursed (Cash Out) by the financial institution totaling more than \$10,000 during any one business day.” This means that cash-in and cash-out transactions are not aggregated to reach the \$10,000.00 threshold, but are considered separately. An administrative ruling defines “knowledge” in this context to mean “knowledge on the part of a partner, director, officer or employee of the financial institution or on the part of any existing automated or manual system at the financial institution that permits it to aggregate transactions.”

suspect a CTR should have been completed.

Note: It is critical that the Acquirer/Outlet owner make the Issuer aware when a CTR is filed.

Responsibilities:

(1) Transactions where there is **one** Issuer credit union

- a) Example 1: Member of CU A conducts a transaction(s) at Outlet X that would require a CTR.

The Acquirer/Outlet Owner is responsible for obtaining the information necessary to complete the CTR, preparing the CTR at the time the Guest Member makes the cash transaction(s), filing the CTR directly with the appropriate agency and retaining the original CTR for the time required by the regulation. When there is a single Issuer, the Acquirer/Outlet is responsible for scanning/emailing a copy of the CTR to the Issuer credit union within the same day.

- b) Example 2: Member of CU A conducts transactions at Outlet X and Outlet Z, or Outlet X and Outlet X at different times that, when combined, would require a CTR.

The Issuer credit union (CU A) is responsible for aggregating transactions at multiple Acquirers/Outlets, or at single Acquirers/Outlets when the transactions are not done at the same time, completing a CTR when required, and filing the CTR directly with the appropriate government agency.

It is the Issuer credit union's responsibility to comply with federal regulations and aggregate transactions to file a CTR for transactions occurring at multiple locations within the same day (e.g., a branch of the Issuer credit union, shared branches, ATMs, etc.)

(2) Transactions when there are **multiple** Issuer credit unions

- c) Example 3: Member of CU A and CU B conducts transactions at Outlet X in accounts at both CU A and CU B that, when combined, would require a CTR.³

The Acquirer/Outlet Owner is responsible for obtaining the information necessary to complete the CTR, preparing the CTR at the time the Guest Member makes the cash transactions, filing the CTR directly with the appropriate agency and retaining the original CTR for the time required by the regulation.

Note: The Acquirer/Outlet Owner is responsible for notifying each credit union via email or phone to inform them of the CTR filing within the same day.

³ Note that if the transaction(s) with just one of the Issuer Credit Unions exceeded \$10,000, the Acquirer/Outlet would still follow the procedure under 2(a)(ii)(cc), however, making sure the CTR contains the credit union names and the combined transaction amounts for the total dollar amount received at the Outlet for the multiple Issuer credit unions. Remember that "cash-in" is aggregated and reported separately from "cash-out."

All cash transactions must be considered regardless of terminal type (i.e., teller or self-service device).

The Issuer credit union and Acquirer/Outlet must also pay attention to Part III of the instructions on the CTR form concerning the credit union where the transaction takes place, which provides that the preparer:

“Enter the street address, city, state and ZIP Code of the financial institution where the transaction occurred. If there are multiple transactions, provide information on the office or branch where any one of the transactions has occurred.”

Note: The Issuer credit union must check the Cardholder Deposit Activity/Issuer Transaction Detail Report daily to file CTRs for deposits that total over \$10,000 for one business day.

FORM COMPLETION:

- (1) To the extent a Standalone Service Center is: (1) a money service business (i.e., offers money orders, Traveler’s Checks, check cashing, currency dealing or currency exchange); or (2) an agent of a credit union, the Standalone Service Center will be deemed a financial institution pursuant to the regulatory definition set forth in the 31 CFR Chapter X.11. Pursuant to 31 CFR Chapter X.22(b)(1), financial institutions must file Currency Transaction Reports using the online form for CTR e-Filing when reporting currency transactions in excess of \$10,000.
- (2) When there is one Issuer credit union, the Acquirer/Outlet location would complete all sections of the report, sign the report and file the report with the appropriate agency. When there is a single Issuer, the Acquirer/Outlet is responsible for scanning/emailing a copy of the CTR to the Issuer credit union.
- (3) When there is one Issuer credit union and multiple Outlet locations (or a single Acquirer/Outlet location with transactions for one Issuer credit union conducted at different times), the Issuer credit union will complete all sections of the CTR report, sign the report, and file it with the appropriate agency.

B. Suspicious Activity Reports

Suspicious Activity Reports (SARs) must be prepared by the Acquirer for transactions (cash or check) if they are able to determine that any one or more of the following apply:

- (1) Criminal violations involving insider abuse of any amount
- (2) Criminal violations aggregating \$5,000 or more when a suspect can be identified
- (3) Criminal violations aggregating \$25,000 or more regardless of potential suspect
- (4) Transactions conducted or attempted by, at, or through an Acquirer and aggregating \$5,000 or more and the Acquirer knows, suspects or has reason to suspect the transaction:
 - Involves funds derived from illegal activities or is intended or conducted in order to hide or disguise from illegal activities assets derived from illegal activities as part of a plan to violate or evade federal law or to avoid any transaction reporting requirement

- Is designed to evade the BSA
- Has no business or apparently lawful purpose or is not the sort in which the particular Guest Member would normally be expected to engage and the Acquirer knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction

Note: This is not to be taken as a complete list required for completing the SAR; please refer to federal regulations with regard to filing SARs.

SARs must be filed by the Acquirer directly with the appropriate agency within 30 calendar days after the initial detection of facts that may constitute a basis for filing a SAR; 60 calendar days if necessary to identify a suspect.

With limited exceptions, it is the Acquirer's responsibility to comply with federal regulations to file the original SAR in accordance with the Bank Secrecy Act.

Issuer credit unions are also responsible for reviewing all financial transactions performed by their members at Shared Branch Outlets to determine whether the combination of the cash transactions fall within the parameters of SAR filing. If the Issuer sees activity that would constitute a reportable event, then the Issuer credit union must complete and file a SAR in accordance with the Bank Secrecy Act.

A copy of all completed SARs must be retained for the time required by the regulation.

C. Monetary Instrument Logs

Acquirers are required to maintain monetary instrument logs with respect to the sale of money orders, traveler's checks and cashier's checks where the issuance and sale of such items is for currency in amounts between \$3,000 and \$10,000. With respect to record keeping and reporting of such transactions that fall below \$3,000, there is no record keeping or reporting requirement on the part of the credit union unless there is knowledge of structuring by the Guest Member.

FORM COMPLETION:

When circumstances require that monetary instrument purchases be documented, the following guidelines apply:

- (1) When Acquirers facilitate the purchase of monetary instrument(s) by a member of an Issuer credit union, the Acquirer will obtain and document the required information on a Monetary Instruments Recordkeeping Log.
- (2) The information will be maintained at the Acquirer location for the mandatory recordkeeping requirement timeframe as determined by the BSA rules.

The record of these transactions can be in either a manual or electronic format. The records must be kept for the appropriate length of time in accordance with the requirements. If the Acquirer's computer system has the ability to generate a report that contains the appropriate information, the Acquirer does not need to maintain a separate log. However, the Acquirer must be able to generate this report for any currency transactions for the purchase of a credit union check, cashier's check, money order or traveler's check. And, the Acquirer must be able

to aggregate these currency transactions to determine whether a member or account made more than \$10,000 in transactions at a location in one day.

D. Office of Foreign Assets Control Reporting

Issuer credit unions are responsible for checking their members against the OFAC lists and complying with OFAC requirements to the same extent they would be required to do so if they were not a participant in the Shared Branch Network.

When handling third-party transactions for an Issuer credit union Guest Member, the Acquirer is responsible for complying with all OFAC requirements just as it does when handling third-party transactions for its own members. It is the Acquirer's responsibility to apply its general risk assessment policy to these third-party transactions, and take such action and file such reports as may be required by OFAC regulations. For example, when a member requests an official check made payable to a third party, the payee must be checked against the OFAC list, etc.

A member performing international transactions (member depositing funds through a U.S. Outlet to their foreign credit union and vice versa) will be verified against the OFAC lists to be compliant with OFAC requirements and transactions rejected if necessary.

Note: CO-OP SHARED BRANCH POLICIES OR THOSE DEFINED BY THEIR STATE NETWORKS DO NOT SUPERSEDE FEDERAL OR STATE REGULATIONS. ISSUERS AND ACQUIRERS MUST BE FAMILIAR WITH ALL RULES PERTAINING TO, BUT NOT LIMITED TO, THE RECORD KEEPING AND REPORTING REQUIREMENTS FOR OFAC, BANK SECRECY ACT, CTRS, SARS, MONETARY INSTRUMENT LOGS, ETC. TO BE SURE THEY ARE IN COMPLIANCE WITH ALL APPROPRIATE REQUIREMENTS.

IV. FACTA/Identity Theft

The National Credit Union Administration (“NCUA”), and other financial institution regulators, as well as the Federal Trade Commission (“FTC”) collectively issued guidelines for financial institutions and other creditors with regard to identity theft. The guidelines are intended to assist financial institutions and creditors in formulating and maintaining a written identity theft program. The guidelines include a list of “red flags” that indicate identity theft.

The NCUA adopted its identify theft rules as part of NCUA Regulation 717. In particular, Regulation 717.82 deals with duties of users of consumer reports regarding address discrepancies. Section 717.90 deals with duties regarding the detection, prevention and mitigation of identity theft, which includes as a part thereof, Appendix J, to Part 717. Finally, Section 717.91 deals with the duties of card issuers regarding changes of address. The NCUA regulations became effective November 1, 2008 and are applicable to all federally chartered credit unions.

State chartered credit unions are not specifically subject to the regulations adopted by NCUA. However, state chartered credit unions are subject to very similar regulations adopted by the FTC in 16 CFR, Part 681. Specifically, Section 681.1 deals with duties of users of consumer reports regarding address discrepancies, Section 681.2 deals with duties regarding the detection, prevention, and mitigation of identity theft, and Section 681.3 deals with duties of card issuers regarding changes of address. The FTC also promulgated Appendix A to Part 681, and specifically, Section 681.2, which sets forth the guidelines for adopting an identity theft program, including relevant red flags. The FTC granted a six-month delay of enforcement of its red flags rule until May 1, 2009. The NCUA regulations and the FTC regulations are collectively referred to as the “FACTA red flag rules.”

CO-OP Shared Branch is not subject to the NCUA regulations, since it is not a federal credit union. CO-OP Shared Branch is also not subject to the FTC regulations since it is neither a “financial institution” nor “creditor,” and it does not maintain “covered accounts,” all as defined in the FTC regulations. While the FACTA red flag rules do not have direct application to the operations of CO-OP Shared Branch, CO-OP Shared Branch is cognizant of the requirements placed upon federal and state chartered credit unions relating to oversight of service provider arrangements. It is the policy of CO-OP Shared Branch to periodically review the products and services that it provides to participating credit unions and adopt operating rules and regulations and guidelines, as it deems necessary to detect, prevent, and mitigate the risk of identity theft in connection with the services provided by CO-OP Shared Branch. Those rules and regulations and guidelines shall be incorporated into the CO-OP Shared Branch Network Operating Rules and Regulations and the Operating Guidelines set forth in Exhibit A.

A. Issuer Credit Union Notification

MSRs are required to notify the Issuer credit union no later than the end of each business day by scan/email of:

- Refusal of Service FACTA RED FLAGS.

Outlet Owner/MSRs will:

- Refer to the Credit Union Authorization Contact List for the main email address.
- Complete the notification and make a photocopy of the front and back of the item(s).
- Scan/email the completed Issuer notification to the Issuer credit union with a copy of the front and back of the item(s) and other relevant documentation and information.
- File all scan/email information for a minimum of 180 days.

Issuer credit union will:

- Verify and validate copies of item(s) and other relevant documentation provided to the Issuer credit union for legibility and completeness.
- Will follow FACTA RED FLAG requirements upon receiving information from the Outlet regarding Refusal of Service.

CO-OP Shared Branch Forms

This section contains the following CO-OP Shared Branch forms:

- **Guest Member Research Authorization Form:** Used for research purposes, the Guest Member completes this form and provides it to the Issuer credit union. The Issuer credit union then submits the form to the Acquirer with requested information details.
- **Guest Member Research Completion Form and Fee Charge Advice:** Used for research purposes, the Acquirer completes this form once a research request has been fulfilled and fees for the request are quoted. This form includes ACH Billing information.
- **Fraud Suspect and Fraud Profile Form:** State networks and credit unions submit this form to report incidents of fraud.
- **Incident Report Form:** The purpose of this form is to provide details of fraud incidents for research and review by CO-OP Shared Branch. This information is not shared with the network and is used for **internal purposes only**.

Note: All forms are in the process of being updated for brand standardization.



Guest Member Research Authorization Form

I authorize _____ to charge for requested copies or research based on a \$25.00 per hour fee. (Minimum fee of \$25.00) If Outlet is in error, this fee will be waived.

Research for fraud or BSA compliance may be waived; all other requests will access a fee and be charged to you as an adjustment on the same day emailed copies are provided to you.

Date Requested: _____

Name of Credit Union: _____

Print name of person requesting: _____

Your phone # & Ext.: _____

Your signature: _____

Please complete the following required information and email to credit union’s Adjustment Department.

- Copy of receipts
- Copies of deposited items

Describe request needed: _____

Date of transaction: _____ Location: _____

Sequence Number: _____ Term ID Number: _____

Message Number: _____ Account Number: _____

Date Adj. was sent: _____ Guest Member’s Name: _____

Amount of transaction: _____ Type of transaction: _____

If you have any questions, please contact the Adjustment Department.





Guest Member Research Completion Form And Fee Charge Advice

Today's Date: _____

Message To: _____

Email: _____

Message sent by:

Credit Union: _____

Phone Number: _____

Entered By: _____

Please call if the requested documentation is not complete and to your satisfaction, this email includes requested documentation and our notice to fee you on the day you receive this email.

Member Account Number: _____

Transaction Amount: _____

Type of Request (check one or both):

- Copy of receipts
- Copies of deposited items

Fee Amount: _____ For _____ Hours of Research

Comments: _____

Debit ABA: _____ Credit ABA: _____





FRAUD SUSPECT AND FRAUD PROFILE

This form is intended to be used in notifying CO-OP Shared Branching, via email at ATO@coop.org of fraudulent activity. Information provided in this form will be posted for CO-OP Shared Branching credit unions in the Network to view. Any fraud perpetrated in Shared Branching, Shared Branch *express*, New Account or Internal environment should be reported.

Credit Union Submitting Form:	Date:																														
<p>1. What type of fraud occurred? (Account Takeover, Check Fraud, New Account Fraud, Secret Shopper Scam, etc.):</p> <hr/>																															
<p>2. Attach Suspect Image (if no image is available, describe suspect identifiable features, i.e. tattoo marks, scars, specific clothing):</p> <hr/>																															
<p>3. Fraud Transaction Details (i.e. date, transaction amount, transaction type, transaction outcome):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 15%;">Amount</th> <th style="width: 30%;">Transaction Type (Check, Cash, Transfer, etc.)</th> <th style="width: 15%;">Outcome (Approved/Denied)</th> <th style="width: 25%;">Additional Details:</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>		Date	Amount	Transaction Type (Check, Cash, Transfer, etc.)	Outcome (Approved/Denied)	Additional Details:																									
Date	Amount	Transaction Type (Check, Cash, Transfer, etc.)	Outcome (Approved/Denied)	Additional Details:																											
<p>4. If Check Fraud, what are the check(s) details (include amount, maker, payee, drawee, characteristics, etc.):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 15%;">Amount</th> <th style="width: 15%;">Maker</th> <th style="width: 15%;">Payee</th> <th style="width: 15%;">Drawee</th> <th style="width: 20%;">Additional Details:</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>		Date	Amount	Maker	Payee	Drawee	Additional Details:																								
Date	Amount	Maker	Payee	Drawee	Additional Details:																										
<p>5. What City, State, and/or County did the fraudulent transaction(s) occur in?</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">City</td> <td> </td> </tr> <tr> <td>State</td> <td> </td> </tr> <tr> <td>County</td> <td> </td> </tr> </table>		City		State		County																									
City																															
State																															
County																															
<p>6. Fraud Victim Name:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">First Name</td> <td> </td> </tr> <tr> <td>Last Name</td> <td> </td> </tr> <tr> <td>Association to Issuing CU (Member, Employee)</td> <td> </td> </tr> </table>		First Name		Last Name		Association to Issuing CU (Member, Employee)																									
First Name																															
Last Name																															
Association to Issuing CU (Member, Employee)																															



7. Was this fraud prevented? Yes No

7a. If yes, please describe how the fraud was prevented and what characteristics were used to determine the transaction was fraud.

8. Are any Law Enforcement agencies involved in this investigation? Yes No.

8a. If yes, please provide the following

Name	
Address	
Phone Number	
Email Address	
Case Number	

9. Who should be contacted at your institution regarding this fraud?

Name	
Address	
Phone Number	
Email Address	

Additional Details:



CREDIT UNION NAME:

HIGHLY CONFIDENTIAL

FORM FOR REPORTING A FRAUD INCIDENT		
Your Name:	Dept/Division:	
Today's Date:	Tel No:	E-mail Address:

Member Name:	Member Number (Research) :	
Date of Incident:	Time of Incident:	
Who Was Notified:	Time of Notification:	
Brief Description of Incident: (include impacted member information, outlet location(s) and other relevant data.)		
Is the impacted member a representative of the Credit Union?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Has the member used Shared Branching in the past? (if yes, specify below)	<input type="checkbox"/>	<input type="checkbox"/>
To your knowledge, what type of fraud occurred?		
In-Branch/Teller Fraud <input type="checkbox"/>	Unauthorized Terminal Registration <input type="checkbox"/>	
Counterfeit Identification <input type="checkbox"/>	Unauthorized Mobile Enrollment <input type="checkbox"/>	
Counterfeit Check <input type="checkbox"/>	Unauthorized Account Access via Call Center <input type="checkbox"/>	
New Account Fraud <input type="checkbox"/>	Other (specify below) <input type="checkbox"/>	
Total Dollar Amount in Fraud:		
Recovered Funds:		

Please submit this documentation securely to ATO@coop.org.

If you have any questions or concerns, please contact the Account Takeover Team at ATO@coop.org.

Initiated By:	Date:	Reviewed By:	Date:
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Revision History for Updates

Date	Section	Item	Change(s) Made	Comments
06-05-18	1.0: Definitions	Authorization	Changed "Issuer financial institution" to "Issuer credit union."	
06-05-18	1.0: Definitions	Cardholder	Changed "Issuer financial institution" to "Issuer credit union."	
06-05-18	1.0: Definitions	Credit Union	Changed definition to: A member-owned financial cooperative chartered under the laws of the United States, any state or territory thereof, or the laws of its country.	
06-05-18	1.0: Definitions	Issuer Credit Union	Changed term to "Issuer or Issuer Credit Union."	
06-05-18	1.0: Definitions	Shared Branch Network	<p>Changed term to "Shared Branch or Shared Branch Network."</p> <p>Changed definition to: A network operated by CU Cooperative Systems, Inc., dba as CO-OP Financial Services, that offers products and services to credit unions to provide their members with access to their credit union accounts. CO-OP Shared Branch provides national, international and inter-network Shared Branch transaction services to member or client financial institutions, either directly or indirectly through state networks and other</p>	

Date	Section	Item	Change(s) Made	Comments
			consortiums of credit unions. CO-OP Shared Branch or "CO-OP Shared Branch Network" refers to CO-OP Financial Services, the entity, or the Shared Branch Network, as the context requires.	
06-05-18	1.0: Definitions	State Regulations	Changed to State Network Regulations	
06-05-18	2.0: CO-OP Shared Branch Network Overview	2.4	<p>Changed "Any direct or intentional attempt by an Acquirer to solicit members of another participating financial institution is prohibited...." to "Any direct or intentional attempt by an Acquirer to solicit members of another participating credit union is prohibited...."</p> <p>Changed "All participating CO-OP Shared Branch shareholders and state networks...." to "All participating credit unions and state networks...."</p>	
06-05-18	2.0: CO-OP Shared Branch Network Overview	2.8	Removed "CO-OP Shared Branch" when referring to the data switch.	
06-05-18	2.0: CO-OP Shared Branch Network Overview	2.10	Removed "As the majority owner of CO-OP Shared Branch" from the beginning of the sentence.	
06-05-18	12.0: Participation Requirements	12.3	Changed "...except for loss due to negligence or fraud...." to "...except for loss due to gross negligence or fraud...."	

Date	Section	Item	Change(s) Made	Comments
06-25-18	8.0: Acquirer Services	8.8	Added verbiage to clarify that the network does not prescribe how to document verification. The MSR should use the Acquirer’s existing process, including how and what information to document.	Communication sent June 25, 2018. Subject: Shared Branch Operating Rules & Regulations: Update 1.1 Effective August 1
06-25-18	Exhibit A	II.A.3	Revised the Member Identification section to provide clearer guidance for verifying a Guest Member’s identity. Removed verbiage indicating that the name on ID must exactly match the name on the account. Provided additional verbiage about using photo, date of birth, and/or last four digits of the SSN to verify identity.	Communication sent June 25, 2018: Subject: Shared Branch Operating Rules & Regulations: Update 1.1 Effective August 1
06-25-18	Exhibit A	II.B.2	Revised the Check section to provide clearer guidance for verifying a Guest Member’s name. Removed verbiage indicating that the name on ID must exactly match the name on the account and included verbiage regarding formal versus informal names and the presence or absence of middle initials.	Communication sent June 25, 2018: Subject: Shared Branch Operating Rules & Regulations: Update 1.1 Effective August 1
11-28-18	15.0: Fraud Prevention & Detection	15.4	Added requirement for COOPER Fraud Analyzer	Communication sent November 28, 2018: Subject: Shared Branch Operating Rules & Regulations Effective February 1, 2019

Date	Section	Item	Change(s) Made	Comments
05-01-19	Title page	Version	Changed from Version 2.0 to Version 2.1.	
05-01-19	15.0: Fraud Prevention & Detection	15.4	Added new item 15.4 regarding fraud reporting requirements and requests for information related to fraud investigation.	
05-31-19	8.0 Acquirer Services	8.1	Updated the Cash Withdrawal section of the table to indicate the maximum withdrawal amount allowed by the network is \$7,500. Added verbiage indicating that credit unions can set lower or higher maximum amounts.	
05-31-19	8.0 Acquirer Services	8.8	Clarified signature requirements on multiple transactions.	
05-31-19	Exhibit A	II, A, 3 – Member Identification.	Added verification guidelines for ID Checking Guide usage.	
07-12-19	Exhibit A	Section G	Implemented Call Center Limit of \$2500.00	Effective Date 07-12-19 as Emergency Network Change
07-12-19	Section 6.1 Section 6.8		Adjustment Process	Effective Date 07-12-19 as Emergency Network Change
07-12-19	Shared Branch Adjustment Request form		Adjustment form changes	Effective Date 07-30-19 as Emergency Network Change
11-18-19	8.0 Acquirer Services	8.1	Updated the Cash Withdrawal section of the table to indicate the maximum withdrawal amount allowed by the network is \$10,000. This is a change from the May \$7500 amount.	Increased Network limit to \$10,000

Date	Section	Item	Change(s) Made	Comments
11-18-19	Exhibit A	II, A, 3 – Member Identification.	Updated requirement to match ID information returned from the core member verify	ID information frequently not maintained by Credit Union. All other ID verification procedures are required to validate the Guest Member.
06-04-21	6.0 Adjustments	6.8	Removed “or CAS adjustment ID”	CAS has been sunset on 2/28/21
06-04-21	15.0 Fraud Prevention and Detection	15.2	Changed email address to: ATO@coop.org	
06-04-21	CO-OP Shared Branch Forms	List of forms	Removed reference to the Shared Branch Adjustment Request Form	CAS was sunset on 2/28/21. Form was removed
06-04-21	CO-OP Shared Branch Forms	SHARED BRANCH ADJUSTMENT REQUEST	The CAS Acquirer adjustment system has been discontinued. Form has been removed from the ORRs	CAS adjustments were sunset on 2/28/21. Adjustments need to be processed in DataNavigator
06-04-21	CO-OP Shared Branch Forms	FRAUD SUSPECT AND FRAUD PROFILE	Replaced form with a newer version	Email changed to ATO@coop.org
06-04-21	CO-OP Shared Branch Forms	FORM FOR REPORTING A FRAUD INCIDENT	Replaced form with a newer version	Email changed to ATO@coop.org
11-01-22	Title page	Version	Changed from Version 2.4 to Version 3.0.	
11-01-22	1.0 Definitions	Payment Card Industry Data Security Standards	Changed “cardholders” to “credit union members”	Updated to Shared Branch terminology
11-01-22	1.0 Definitions	Shared Branch Task Force	Added “strategic and”	The Shared Branch Task Force provides both strategic and operational guidance
11-01-22	2.0 CO-OP Shared Branch Network Principles	2.4	Created new section to state Issuer’s liability	It has been assumed that issuer was liable for transactions unless a rule was violated – but never specifically stated in the ORRs.
11-01-22	5.0 Acquirers	5.6	Added requirement to serve Guest Members	Shared Branch must be available for Guest Members, not just the credit union’s own members.

Date	Section	Item	Change(s) Made	Comments
11-01-22	6.0 Adjustments	6.1	Removed reference to the standard Adjustment Request form	Paper based adjustments are no longer used.
11-01-22	7.0 Grievances and Disputes	7.1	Added "and did contribute to the loss,"	Added clarifying language to a valid grievance that includes both a rules violation and that it was a contributing factor.
11-01-22	7.0 Grievances and Disputes	7.3	Grievances should only be submitted on losses related to the actual amount of the transaction.	Additional fees may not be added to the grievance.
11-01-22	8.0 Acquirer Services	8.1.1.a	After 2 unsuccessful attempts to verify a member via account inquiry, an Acquirer may choose the third attempt using RLU	Clarified to match Exhibit A, II.A.2 The combination of member verifies cannot exceed 3 attempts.
11-01-22	8.0 Acquirer Services	8.1.1.a	In the note, split the first sentence into two.	Clarification.
11-01-22	8.0 Acquirer Services	8.1.1.b	Removed: "After 3 unsuccessful attempts to verify a member via account inquiry, an Acquirer may choose to attempt RLU"	Moved reference to 3 unsuccessful attempts to 8.1.1.a
11-01-22	8.0 Acquirer Services	8.1.1.b	In the note, split the first sentence into two.	Clarification.
11-01-22	8.0 Acquirer Services	8.1.3.a	(Limits) At a minimum, must allow for transactions of \$500, unless member limits fall below the minimum Maximum transaction is \$10,000 The Minimum Limit is the lowest amount the Acquirer must make available for withdrawal by a Guest Member. However, the	Added clarity for the minimum amount of cash to be available for the Guest Member. Added clarity for the maximum transaction amount

Date	Section	Item	Change(s) Made	Comments
			Issuer's online authorization takes precedence during the transaction.	
11-01-22	8.0 Acquirer Services	8.1.3.b	<p>(Limits)</p> <p>Acquirer may set check withdrawal limits greater than the \$500 minimum, as long as the Issuer's online authorization takes precedence during the transaction.</p> <p>The minimum limit is the lowest amount the Acquirer can set for Guest Member check withdrawals.</p> <p>The Acquirer may set check withdrawal limits greater than the \$500 minimum.</p> <p>However, in all cases, the Issuer's online authorization takes precedence during the transaction.</p> <p>Added "official checks" and "cashier's checks"</p>	<p>Added clarity to check withdrawal limits</p> <p>Added clarity to types of checks</p>
11-01-22	8.0 Acquirer Services	8.1.8	Changed loan advances from "O" to "M"	Created consistency throughout the ORRs
11-01-22	8.0 Acquirer Services	8.8	Changed the requirement of transaction request forms to "optional"	Updated to reflect declining trend of paper-based forms.
11-01-22	8.0 Acquirer Services	8.9	New section specific to documentation	Separated receipt from documentation requirements.
11-01-22	8.0 Acquirer Services	8.10	Added "Financial transactions over \$999,999.99 require verification for settlement"	Added language to support existing settlement procedures.
11-01-22	8.0 Acquirer Services	8.11	New section for Reverse Look-up.	<p>Reverse Look-up will be discontinued 9/1/23.</p> <p>The Network reserves</p>

Date	Section	Item	Change(s) Made	Comments
				the right to modify or discontinue RLU for other channels as deemed necessary.
11-01-22	12.0 Participation	12.1	Right to establish requirements for issuer and acquirer participation	New section to be defined for stronger participation.
11-01-22	12.0 Participation	12.2	Right to establish requirements for stronger Outlet participation.	New section to be defined requiring stronger branch participation.
11-01-22	12.0 Participation	12.3	Requirement for temporarily removing Outlets and conditions when they need to be reinstated	New section defining when Outlets may be temporarily removed
11-01-22	12.0 Participation	12.4	Credit unions are subject to transaction premiums based on their level of issuer and acquirer participation.	New section defining premiums based on participation
11-01-22	12.0 Participation	12.5	Service Center Licensee obligations	Moved from 2.11
11-01-22	13.0 Sub-Switching/Surcharging/Fees	13.2	Added "cash counting"	Included as an example more than 100 bills.
11-01-22	13.0 Sub-Switching/Surcharging/Fees	13.3	Added that additional fees must be identified as Shared Branch ancillary fees.	Added clarifying language on fee disclosures.
11-01-22	15.0 Fraud Prevention and Detection	15.5	Changed location of the Cooper Fraud Analyzer User Guide	Reference materials are in the CO-OP Knowledge Center.
11-1-22	17.0 Non-compliance, Warnings and Fines	17.0	Added the right to modify fines including: warnings, monetary fines and expulsion	Strengthened language Added new item in the table for participation.
11-01-22	Exhibit A	I.G	Removed "Section G Changes Effective 7/12/2019"	Referred to the date of a prior update.
11-01-22	Exhibit A	II.A.3	Matched to language in 8.8 and 8.9	Created consistency.
11-01-22	Exhibit A	II.C.2	Removed "Acquirers may not set check withdrawal limits"	Language conflicted with section 8.1.3.b "Check withdrawal"
11-01-22	Exhibit A	II.D	Created new section "All Transactions"	Needed new section for language that covers all transactions
11-01-22	Exhibit A	II.D.2	New "Large Financial Transactions"	Describes the process that is used when a large financial

Date	Section	Item	Change(s) Made	Comments
				transaction occurs
11-01-22	CO-OP Shared Branch Forms	Note about section undergoing review	Removed note.	No longer applicable.
11-01-22	CO-OP Shared Branch Forms	Guest Member Research Completion Form	Changed "cardholders" to "credit union members"	Updated to Shared Branch terminology