

## PRODUCT FACT SHEET (PFS): MEMBER CHEQUING FACILITY

Product issuer	<p><b>Northern Inland Credit Union Ltd</b> ABN 36 087 650 422 AFSL 235022 <b>Web:</b> www.nicu.com.au <b>Fax:</b> 6766 5535 <b>Tel:</b> 1300 656581  <b>Email:</b> info@nicu.com.au <b>PhoneTeller:</b> 1300 656428 <b>Lost/stolen cards:</b> (BH) 1300 656581 (AH) 1800224004 or 02 99597480  <b>Overseas</b> (VISA international): collect 410-581-9994 or 410-581-3836 <b>Calling NICU from overseas:</b> 612 6763 5111</p> <p>Head office: 481 Peel Street, Tamworth 2340 (fax: 6766 5535) Mail: PO Box 652, Tamworth 2340.  Branches: •142 Bridge Street, Tamworth 2340 (fax: 6765 5998) • 73 Maitland Street, Narrabri 2390 (fax: 6792 3296) • 252 Conadilly Street, Gunnedah 2380 (fax: 6742 2300)  Agency: 132 Merton St, Boggabri 2382 (fax: 6743 4446) Hours: Monday – Friday 9.00 am to 4.30 pm; closed 1.00 pm – 2.00 pm daily.</p>
Definitions	<p><b>Associated entity:</b> organisation with whom we conduct business to provide product/service. <b>Available balance:</b> cleared funds in your account or unused portion of overdraft if applicable. <b>Cuscal:</b> Credit Union Services Corporation (Australia) Ltd, our industry body/service provider. <b>NAB:</b> National Australia Bank. <b>We/our/us/NICU:</b> Northern Inland Credit Union Limited. <b>You/your:</b> Member or potential member.</p>
Benefits	<p>Enjoy flexibility of access for bill paying convenience. Subject to approval, this facility can be attached to any NICU primary account, including: S1, S10, S11, S25, S30, S40, S45, S50.</p>
Terms & conditions including risks and restrictions	<p>Always maintain sufficient funds in your accounts to cover payments. Availability of service may be varied by NICU from time to time. <b>1. Facility:</b> subject to application approval. You appoint NICU &amp; CUSCAL as your agent and authorise them to: (a) Conduct NAB accounts to enable you to draw cheques for payment of goods/services out of funds in your NICU account in accordance with these Terms &amp; Conditions; and (b) Transfer funds to the NAB Account from your NICU Account to pay the amount of cheques that you or your authorised signatories have issued and to pay all costs, taxes or charges made by NICU or NAB. <b>2. Available balance:</b> includes any funds in your NICU Account, any unused overdraft/other agreed NICU credit facility. It does not include: deposits received but uncleared in accordance with NICU policy, interest accrued but not credited or deposits in transit. <b>3. Payment of your cheque:</b> if the amount of any cheque presented for payment to NAB exceeds your NICU account's Available Balance at the time of presentation, we may instruct NAB to refuse payment (dishonour). If that occurs we may advise you in writing, by ordinary prepaid post, as soon as practicable, but will not be liable for any losses caused by failure to do so. Where we refuse to pay a cheque in accordance with this or any other condition, we may at our discretion debit your NICU account with any costs incurred through refusal, and such costs shall constitute a debt owed by you to NICU. If you have insufficient funds to honour the cheque, it is within our discretion to honour the cheque by overdrawing your account and charging you a fee. If your account is already overdrawn, the cheque is dishonoured and you will be charged a fee. See: Fees. <b>4. Stop on cheque:</b> you agree that we are only required to instruct NAB to stop payment on any cheque when our standard stop payment notice has been correctly completed, signed and delivered to NICU before the cheque is presented or paid. A fee is applicable to stopped cheques. <b>5. Sweep facility:</b> you may apply for a sweep facility. The facility transfers funds from accounts and Memberships nominated by you to allow a presented cheque to be honoured when your cheque account has insufficient funds. This is being replaced in August 2010 by the Dynamic Sweep facility. See the PFS for your account. <b>6. Signing authority:</b> for your chequing facility will be the same as for the account to which it attaches. Because the chequing facility is provided through our service providers NICU is unable to verify the appropriate number of signatories have signed each cheque. We can only verify signatures for cheques which are presented over the counter at a NICU branch.</p>
Withdrawals, overdrawn & combining accounts	<p>See PFS for relevant account. If NICU pays a cheque or you incur fees/charges which exceed your Available Balance NICU overdraws your account, you must immediately repay any overdrawn amount: refer to the PFS for your account. We may charge any reasonable legal fees incurred in obtaining payment from you. We may take a credit balance from any of your accounts toward repayment of a debt you owe NICU. We may transfer funds between your accounts to enable a direct debit/periodical payment/cheque payment but are under no obligation to do so. You may apply for a sweep for your cheque facility. We may transfer funds between your accounts to enable a payment/periodical/cheque payment but are under no obligation to do so. We may delay, block or freeze a transaction/account if we reasonably believe it is in breach of the law. You agree we incur no liability if we take such action and you indemnify us against any loss we suffer as a result of taking such action. You agree to provide us with additional information to allow compliance with anti money laundering and other legislation.</p>
Fees & charges	<p>NICU debits your account for any fees and any government or third party charges incurred. Some fees and charges may be rebated. See the Fees &amp; Charges/Member Loyalty Program PFS for current fees &amp; charges. Counter cheque encashment: <b>\$2.50</b>; Sweep fee: one day of overdraft interest being <b>16.25 % pa</b> calculated daily on the amount swept (being replaced by Dynamic Sweep in August 2010, see below); Honouring a cheque that exceeds your Available Balance: <b>\$5</b>; Dishonour fee: <b>\$7.50</b>; Stop payment: <b>Nil</b> (not presented) &amp; <b>\$7.50</b> (presented); Presented cheque: <b>\$1</b> per cheque; Copy of a cheque: <b>\$15</b>.</p>
ID	<p>To comply with federal law NICU confirms your identity to: open an account, be made a signatory or process a transaction. For more information, ask us for a brochure.</p>
Variations to interest, fees, charges, terms & conditions	<p>We may change these terms &amp; conditions, interest rate, interest calculation method, interest payment frequency and amount of fee/charge that applies to any of our products/services. If there is a change: a) if the change is one that results in a reduction in your obligations – we will notify you in our next contact with you after the change takes place. For all other changes we will notify you: b) in writing at least 30 days before we introduce a new or increase an existing: fee/charge, interest calculation method or frequency of interest payment; c) by newspaper advertisement (national or local), member newsletter, account statement or by direct written notice of the introduction or change of a government charge payable by you (directly or indirectly), <i>unless</i> the change is publicised by government; d) by newspaper advertisement (national or local), member newsletter, account statement or by direct written notice, no later than the day the day we change any other term or condition or thing that affects you. You are taken to have been notified on the day which the advertisement is published or the second day after we have mailed notification to you. For joint accounts we will provide one copy of the notice addressed to the primary joint Member.</p>
Dynamic Sweep	<p>Available August 2010. To cover member cheques, periodical payments and direct debit payments which would otherwise fail or be dishonoured due to insufficient funds, set up a sweep between eligible accounts within and between related Memberships. Eligible accounts from which funds can be swept are S1, S2, S3, S5, S9, S10, S11, S25, S30, S40, S45 and S50. You elect 5 accounts from which available funds may be swept. Once established, you cannot quarantine payment methods from the sweep. To cancel the sweep give us</p>

Dynamic Sweep	written notice and allow 3 working days for cancellation processing.
Access cancellation	You may cancel your facility at any time by giving us written notice. We may cancel your facility at any time for security reasons, if you close your Account, and if you breach terms & conditions governing the facility or your Account. If during facility cancellation you write additional cheques, you are liable for those cheques. If you write a cheque, but close the Account before the cheque is presented, you are liable for any dishonour fees incurred in respect of that cheque. Any unused portions of cheque books must be returned to NICU on facility cancellation or account closure.
Statements documents	With overdraft issued monthly - free. Otherwise issued 6 monthly (June & Dec, free), or by arrangement. We may not send a statement if you have not transacted on the account for 6 months. Check statement entries: notify us of any errors or unauthorised transactions. For a joint Membership the statement is sent to the primary joint Member only. Advise NICU of any change of contact details.
Security	<b>Safeguard your chequebook from loss, theft or unauthorised use.</b> You must: * Keep your chequebook under secure control and in a safe place at all times * Never give your chequebook or an incomplete cheque to any person * Read your account statement and notify NICU promptly if you suspect an unauthorised transaction * Contact us if you think that a cheque/ chequebook has been lost, stolen or used without your authority. <b>Complete your cheque so it is not easily altered.</b> You must: * Write the amount in both words and figures without leaving gaps *Begin the words close to the left hand side of the cheque and the figures close to the dollar (\$)sign * Always write cheques in ink which cannot be rubbed out * Never sign a cheque until you have filled it out completely. <b>Liability:</b> You are liable for all losses caused by your failure to observe the above duties. You are not be liable where it is shown, on the balance of probabilities, that the loss was caused by: (a) Fraudulent/negligent conduct of NICU's employees or agents; or (b) Same cheque being debited more than once to the same account. Contact NICU immediately if you lose a cheque or suspect unauthorised access.
Privacy	Refer to the PFS for your NICU account.
Dispute	Please address your written complaint to the Compliance Manager. If matters cannot be resolved locally, you can access our external dispute resolution provider. See leaflet: "Dispute Resolution".
Things you should know about your cheque facility	General descriptive information: sets out some rights and obligations of you and NICU. It does not replace the terms and conditions. It does not apply to the cheque NICU gives you when withdrawing funds from your account. <b>How long does it take to clear a cheque?</b> A cheque deposited to your account takes up to 10 days to clear. In this time you are not able to withdraw any of the cheque proceeds. There are some exceptions to allow immediate access: check with NICU as to circumstances. Check whether you can ask for a special clearance. If available you will be informed how long it will take to specially clear and the amount of any special clearance fee. <b>Crossing a cheque 'not negotiable' or 'account payee only'</b> Crossing a cheque means drawing 2 lines clearly across the cheque's face. A crossing is a direction to pay the cheque into an account at a financial institution. A crossing does not prevent the cheque being negotiated/transferred to a third party before presentation to a financial institution. When you cross a cheque or add the words 'not negotiable' between the crossing you may be able to protect yourself, but not always, against theft/fraud. The crossing serves as a warning to the collecting financial institution if there are other special circumstances, then it should inquire if its customer has good title to the cheque. When you add the words 'account payee only' you are saying only the named person can collect the cheque proceeds. These words may give you better protection against theft/fraud. It would be prudent for the collecting financial institution to make inquiries of the customer paying the cheque in, if the customer is not the cheque payee. <b>Deleting 'or bearer' on the cheque</b> Pre-printed cheque forms have 'or bearer' after the space where you write the name of the person to whom you are paying the cheque. The cheque is a 'bearer' cheque. If you cross out 'or bearer' and do not add 'or order', the cheque is still a bearer cheque. You can give more protection against theft/fraud by crossing out 'or bearer' and adding 'or order'. <b>How do I stop payment on a cheque?</b> By either ringing or writing to NICU with sufficient particulars to identify the cheque. We may insist on written confirmation. You must do this before NICU has paid the cheque. <b>What do I do to reduce the risk of forgery?</b> When filling in a cheque: * Start the name of the person to whom you are paying the cheque as close as possible to the word 'pay'; * Draw a line from the end of the person's name to the beginning of the printed words 'or bearer'; * Start the amount in words with a capital letter as close as possible to the words 'the sum of' and do not leave blank spaces large enough for any other words to be inserted; also add the word 'only' after the amount in words; * Draw a line from the end of the amount in words to the printed '\$'; * Start the amount in numbers close after the printed '\$' and avoid any spaces between the numbers; * Always add a stop '.' or dash '-' to show where the dollars end and the cents begin. If there are no cents, always write '.00' or '-00' to prevent insertion of more numbers to the dollar figure. <b>When can the credit union dishonour or not pay on my cheque?</b> NICU can dishonour the cheque or not pay on it if: * You have insufficient funds/available credit in your account to cover the cheque * You have not drawn up the cheque clearly (NICU is unsure of what you want it to do) * You have post-dated the cheque and it is presented before the date * The cheque is 'stale' - the date on the cheque is more than 15 months ago * NICU has notice of your death or mental incapacity.
More info	General descriptive information referred to in the Mutual Banking Code of Practice and other written material mentioned in this PFS is available from NICU. We comply with the EFT Code of Conduct and each relevant provision of the Mutual Banking Code which applies to this product. We confirm the opening or closing of all products/services in writing; order a confirmation notice by contacting us.
PFS date	This PFS was prepared on 1 July 2010. Information is up to date at time of issue. For updates, see www.nicu.com.au.