
Electronic Signatures

General Policy Statement:

The purpose of this policy is to outline the MUCU's requirements for the use of electronic signatures (e-signatures), electronic transactions (e-transactions), and electronic records (hereafter e-records) in conducting the MUCU's business operations and providing documentation to members.

This policy also includes the provisions of the Electronic Signatures in Global and National Commerce Act (E-SIGN). According to E-SIGN, electronic signatures and records have the same legal validity and enforceability as paper records and handwritten signatures. E-SIGN is technology neutral, in that it does not mandate or recommend the use of any particular technology for electronic records or signatures. The decision of which technology to use is up to MUCU if it wishes to conduct business electronically. To the fullest extent permitted by law, the MUCU accepts e-signatures as legally binding and equivalent to handwritten signatures to signify an agreement.

Guidelines:

1. **ADHERANCE TO LAW.** MUCU will follow the requirements of the Electronic Signatures in Global and National Commerce Act (E-SIGN), the Uniform Electronic Transactions Act (UETA), and all other laws that may apply to the process of using electronic signatures.
2. **SECURITY PROCEDURES.** MUCU will adopt security procedures for e-signatures, e-transactions and e-records that are practical, secure, and that balance risk and cost. It is not the intent of this policy to eliminate all risk, but rather to provide a process for undertaking an appropriate analysis prior to approving the use of e-signatures, e-transactions or e-records for specific credit union transactions; and, based on such analysis, to designate those transactions in which e-signatures, e-transactions and e-records will be used in place of handwritten documents.
3. **DEFINITIONS.**
 - A. Electronic means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
 - B. An electronic signature is an electronic sound, symbol, or process, attached to or associated with a contract or other record that was executed or adopted by a person with the intent to sign the record.

- C. An electronic record is a contract or other record created, generated, sent, communicated, received, or stored by electronic means.

4. **TRANSACTIONS SUBJECT TO ELECTRONIC SIGNATURES.**

- A. **Designation.** MUCU reserves the right to designate specific transactions that are to be conducted as e-transactions or maintained as e-records, and that are to be fulfilled by e-signature under this policy.
- B. **Paper Notification Required.** MUCU will provide the member with paper notices if electronic notification is not allowed under the law. The following notices require paper notification as E-SIGN does not apply to, nor permit:
 - i. Electronic notification for court orders, notices or official court documents;
 - ii. Electronic notification for notices of default, acceleration, repossession, foreclosure, eviction, or the right to cure, under a credit agreement secured by, or a rental agreement for, a member's primary residence.

5. **E-SIGN MEMBER DISCLOSURE.** MUCU will provide the member with a disclosure before engaging in any electronic signature activities. The disclosure will inform the member:

- A. Of their rights and options to receive the record in a paper or non-electric form;
- B. The hardware and software requirements for access to and retention of the electronic records;
- C. Their right to withdraw the consent to have the record provided or made available in an electronic form; and the conditions, consequences and fees which might apply in the event of such withdrawal;
- D. Whether the consent applies only to the particular transaction which created the obligation to provide the record, or to identified categories of records that may be provided or made available during the course of business with MUCU;
- E. That the member is responsible for maintaining the information needed for MUCU to contact the member electronically;
- F. The member's right to obtain a paper copy of the electronic record and any fee charged for the copy; and

- G. The steps the member must take to withdraw consent for electronic transactions.
6. **ELECTRONIC CONSENT.** The member must confirm his or her consent to participate in and receive E-SIGN documentation electronically, in a manner that reasonably demonstrates that they can access information in the electronic form used to provide the information that is the subject of the consent, before MUCU can rely on that consent.
 7. **REVISED E-SIGN REQUIREMENTS.** If MUCU changes the hardware or software requirements to access the member's records MUCU will inform members of the revised hardware and software requirements for access to and retention of the electronic records, and that the member has the right to withdraw their consent without the imposition of a fee or any other consequences.
 8. **WITHDRAWAL OF CONSENT.** Withdrawal of member consent shall not affect the legal effectiveness, validity, or enforcement of electronic records provided to the member prior to the member's withdrawal of consent. A consent withdrawal shall be effective within a reasonable time after receipt of the withdrawal.
 9. **RECORD RETENTION.**
 - A. **Retention.** MUCU can store records using electronic means as allowed by law.
 - B. **Form of Record.** Electronic records maintained by MUCU will:
 - i. Accurately reflect the information set forth in the contract or other record; and
 - ii. Remain accessible to all persons who are legally entitled to access in a form that is capable of being accurately reproduced for later reference, whether by transmission, printing or otherwise.
 - C. **Originals.** If a statute, regulation, or other rule of law requires a contract or other record relating to a transaction be provided, available, or retained in its original form, or provides consequences if the contract or other record is not provided, available, or retained in its original form, MUCU will retain that documentation according to those specific requirements.
 10. **ORAL COMMUNICATION.** Oral communication or a recording of an oral communication does not qualify as an electronic record.

11. **EXEMPTIONS.** The provisions of E-SIGN shall not apply to the following:

- A. A statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law;
- B. The UCC, as in effect in any state, other than sections 1-107 and 1-206, and Articles 2 and 2A.
- C. Court orders or notices, or official court documents (including briefs, pleadings, and other writings) required to be executed in connection with court proceedings;
- D. Any notice of cancellation or termination of utility services (including water, heat, and power);
- E. Any notice of default, acceleration, repossession, foreclosure, eviction, or the right to cure under a credit agreement secured by, or a rental agreement for, an individual's primary residence;
- F. The cancellation or termination of health insurance or benefits of life insurance benefits (excluding annuities);
- G. A recall or material failure of a product that risks endangering health or safety; or
- H. Any document required to accompany any transportation or handling of hazardous materials, pesticides, or other toxic or dangerous materials.

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