

# Abilene Teachers Federal Credit Union

## Membership and Account Agreement

Effective January 1, 2022

In this Agreement, the words “you,” “your,” “party,” and “Owner” mean any and all persons or entities who sign an Application for Membership, or any other document in connection with the opening or maintenance of any Account with Abilene Teachers Federal Credit Union collectively, any such person or entity who maintains an Account with us, or any other person or entity authorized to use or having access to any such Account.

**Primary Member** means the Account Owner under whose taxpayer identification number the Account is maintained and used for reporting to tax authorities. **Legal Owner** means anyone who is joint with the primary member. **Authorized User** is any person who has permission to use the Account, but is not responsible for the Account.

The words “we,” “us,” “our,” and “Credit Union” mean Abilene Teachers Federal Credit Union.

In this Agreement, the Truth-in-Savings Disclosures and Rate and Fee Schedules, the term “Savings Account” may be used to describe a Share Account with us, the term “Checking Account” may be used to describe a Share Draft account with us, and the terms “Certificate of Deposit”, “CD”, or “Certificate” may be used to describe a Share Certificate.

By signing an account application, you authorize us to establish one or more Accounts for you and on behalf of any other persons whose signatures are designated in the Application including, without limitation, Savings Accounts, Checking Accounts, or Share Certificate Accounts. By opening or using any Account, you agree to be bound by the terms of this Agreement whether you are acting in your individual capacity, fiduciary capacity, or in a capacity as an officer, agent, or representative of any trust, guardianship, representative payee, estate, business entity or organization with regard to any such Account. You acknowledge receipt of and agree to be bound by our Truth-in-Savings Account Disclosures and Rate and Fee Schedules, as amended from time to time. You consent to conform to our rules, regulations, bylaws, and policies now in effect and as amended or adopted hereafter. In case of any conflict between the terms of this Agreement, the Truth-In-Savings Account Disclosures and Rate and Fee Schedules, the terms appearing in the Truth-in-Savings Account Disclosures and Rate and Fee Schedules will control and both are incorporated into this Agreement. This Agreement is integrated into and made a part of any Application or other document you execute or receive in connection with the opening or use of any Account. This Agreement supersedes any other account agreement you have with us.

Individual Retirement Accounts (IRAs) can be opened only by the Primary Member; the account cannot be held jointly with any other Owner or Authorized User. IRA accounts are requested using a different application.

Please refer to the illegal transaction section (General Provisions; Section 6) for important terms regarding unlawful internet gambling transactions.

### Truth-In-Savings Disclosures

Our Truth-in-Savings Disclosures apply to each of your Accounts, and include any applicable dividend rate and the annual percentage yield on your Accounts. The Truth-in-Savings Account Disclosures and Rate and Fee Schedules are available in Abilene Teachers FCU lobbies, on our website [www.abileneteachersfcu.org](http://www.abileneteachersfcu.org), or by request.

## Account Ownership

Account selection is made on the Application. The type of Account you select may determine how property passes on your death. Your Will may not control the disposition of funds held in some of the following accounts.

**1. Single Party Account.** Under this type of account ownership, the sole party to the Account owns the Account. If you open a Single Party Account without a Payable on Death (P.O.D.) beneficiary, upon your death proceeds of the Account after the right of offset (our contractual right to withdraw funds to pay debts owed to the Credit Union) pass as part of your estate under your Will or by the intestate succession laws that decide which family members will inherit the estate. If you make a P.O.D. designation and the P.O.D. beneficiaries survive you, then upon your death after the right of offset, proceeds of the account pass to the P.O.D. beneficiaries of the Account and the Account does not become part of your estate.

**2. Joint or Multiple Party Account with Right of Survivorship.** If an Account is opened by two or more parties, or if one or more parties are added to a single party Account, the Account will be a Joint or Multiple Party Account with Right of Survivorship. The Credit Union makes no representation concerning the legal consequences or the effect of survivorship rights, including any consequences arising out of the community property laws of any state, and you agree to indemnify, defend, and hold the Credit Union harmless from any loss or liability in connection with any survivorship designation. You understand you should consult with your attorney if you have any questions regarding the validity, effectiveness, or fitness of a survivorship designation for any purpose. All of the parties affiliated with the Account own the Account in even proportion to the funds available including any earnings thereon in the Account. The Owners agree the Credit Union may pay funds in any Joint or Multiple Party Account with Right of Survivorship to or on the order of any Owner, regardless of whether any other Owners are incapacitated or deceased. Withdrawals by any Owner shall be valid and discharge the Credit Union from any and all liability. On the death of one Owner of such an Account, all sums in the Account on the date of the death belong to the surviving Owner(s). All Account sums on deposit on the date of death remain subject to any lien (right of offset) we have for the deceased Owner's obligations to the Credit Union, regardless of whether any of the surviving parties have consented to any such lien.

Except as otherwise permitted in this Agreement, the Credit Union may accept instructions from any Owner and act upon the request of any Owner without permission from any other Owner. At our option, we may require the consent of some or all Owners prior to taking any action in connection with an Account. Each Owner authorizes the other Owners to act on their behalf with respect to the Account, including without limitation, adding overdraft protection services, procuring a loan under the membership, and the placement of stop payment orders with respect to items drawn on the Account. Any Owner may pledge all of the shares in the Account to secure any indebtedness owed to the Credit Union or may designate the Account to provide overdraft protection for any other Account, subject to Credit Union policies, without approval of any other Owner and without regard to their interest in the Account. In the event any Account may be accessed by means of an Electronic Funds Transfer (EFT) including the use of a VISA® Debit Card issued in connection with the Account or the use of any computer, or mobile access program, each Owner grants to every other Owner actual authority to initiate any such transfer, use issued VISA Debit Cards, or use any Personal Identification Number (PIN) issued in connection with any such Debit Card, computer, or mobile access program.

Any Legal Owner may voluntarily remove his or her name from any Joint or Multiple Party Account by notifying the Credit Union in writing. The legal Owner shall remain responsible for any outstanding obligations existing at the time of removal. Only the Primary Member, without notice to any other Owner and upon written notice to the Credit Union in such form as may be required, can add, change, or remove any other Owner. Any such action by the Primary Member will terminate any interest the removed party may have in such Account. At our option, we may require that Account be closed and a new Account opened in lieu of

permitting a Primary Member to remove any other Owner. No other Owner to a Joint or Multiple Party Account may make any such addition, change, or removal. Nor can other Owners to a Joint or Multiple Party Account close the Primary Member's membership Share Account or withdraw funds from the Primary Member's membership Share Account below the par value of one share.

**3. P.O.D. (Payable on Death) Beneficiary.** A P.O.D. Beneficiary is the person(s) listed to receive account proceeds upon the death of the last Account Owner. You agree during the Owners' lifetimes, all funds paid into or deposited into the Account designated, including any earnings thereon, shall be owned by the Owners, and payment may be made upon any Owner's request. If there is more than one Owner, then during the Owners' lifetimes the provisions set forth above with regard to Joint or Multiple Party Accounts with Right of Survivorship shall control. Upon the last Owner's death (the death of the last Owner to survive), each P.O.D. beneficiary agrees all such funds after the right of offset shall be owned by the P.O.D. beneficiaries surviving, with right of survivorship. At the Credit Union's option, payment may be made at the request of any surviving P.O.D. beneficiary then living, and any payment made upon the request of any surviving P.O.D. beneficiary discharges the Credit Union from any and all liability to that P.O.D. beneficiary and any remaining P.O.D. beneficiary or their heirs, executors and personal representatives. Each Owner, his or her heirs, executors and personal representatives agree to defend, indemnify and hold the Credit Union harmless from any claim asserted by any person or estate as a result of the payment of the Account funds to any P.O.D. beneficiary. The Credit Union makes no representation concerning the legal consequences or effectiveness of any P.O.D. designation, and you understand you should consult with your attorney if you have any questions regarding the validity, effectiveness, or fitness of any such P.O.D. designation for any purpose. All IRAs must have a separate beneficiary form completed.

**4. Trust Accounts.** At our option, we may issue shares or accept deposits in a revocable or irrevocable trust subject to membership requirements as we may impose from time to time in keeping with applicable law. If you request we open an Account in the name of a trust, you agree we are authorized to release the funds in any such Account upon the signature of any Trustee. You agree if we make payment to any Trustee or Successor Trustee, or at the direction of any one of the Trustees or Successor Trustees named, that payment shall be valid and shall discharge the Credit Union from any liability for the sums paid. Any Trustee shall be subject to the terms and conditions set forth in this Agreement and any other agreement governing any such Account. You agree we shall have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations set forth in this Agreement. You and any Trustee agree to indemnify, defend, and hold the Credit Union harmless from any claim, demand, suit or other charge by any person arising out of or resulting from the establishment, maintenance, and transaction of any business related to the trust or any Account established for the trust.

**5. Uniform Transfer to Minors Act Account.** At our option, we may issue shares and accept deposits in Accounts established by a custodian under the Texas Uniform Transfers to Minors Act (TUTMA). A TUTMA Account is owned by the minor, and amounts deposited into the Account constitute an irrevocable gift to that minor. The custodian named is the sole party entitled to access the Account for the minor's benefit. The Credit Union has no duty:

- a. To determine if the person designated or acting as custodian has been duly designated.
- b. To determine if an act of the custodian is in accordance with or authorized by the Texas Uniform Transfers to Minors Act.
- c. To question the validity or propriety of any instrument or any instructions executed or given by a person acting as a donor or custodian.
- d. To oversee the application by a custodian of money or other property paid or delivered to the custodian.

**6. Accounts for Guardianships.** At our option we may issue shares and accept deposits in the name of a dependent or ward on whose behalf a Guardianship has been established under applicable law. Any guardian representative authorized to sign on any such Account shall be subject to the terms and conditions set forth in this Account Agreement and any other agreement governing any such Account. You agree the Credit Union will have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations otherwise set forth in this Agreement and you consent that we will not be liable for any loss occasioned by the fraud, negligence, or misapplication of funds by the guardian representative. If we are presented with valid Letters of Guardianship, you agree we will have no further duty:

- a. To determine if the person appointed guardian has qualified or continues to be qualified as guardian.
- b. To determine if an act of the guardian is in accordance with or authorized by applicable law.
- c. To question the validity or propriety of any instrument or any instructions executed or given by a person acting as a guardian.
- d. To oversee the administration by a guardian representative of money or other property paid or delivered to him or her.

You concur that we may rely upon Letters of Guardianship which are valid upon presentment and we may continue to rely upon the same without inquiring into their expiration or renewal. The Credit Union may assume their renewal unless notified to the contrary. You grant we will have no obligation to recognize or honor any such Letters which we know to have expired without renewal pursuant to the provisions of applicable law. If we receive notice of expiration without renewal, we will have no obligation to honor any check which is presented for payment or to honor any requests for withdrawal of funds from the Account of a dependent or ward until we receive renewed Letters or other orders issued out of a Court of appropriate jurisdiction.

**7. Representative Payee Accounts.** At our option, we may issue shares and accept deposits in Accounts established in a member's name and for the member's benefit by an individual appointed and approved by the Social Security Administration as a "Representative Payee." Funds in a Representative Payee Account are owned by the member beneficiary. Only the Representative Payee, however, shall have direct access to the funds. If an Account is opened, the Representative Payee agrees we may accept deposits, including direct deposits from the Social Security Administration. We may permit withdrawals from the Account by the Representative Payee through such means as we may prescribe from time to time. The beneficiary will never have direct access to the Account. You agree the Representative Payee alone will be responsible for compliance with the Rules of the Social Security Administration governing these Accounts. You concur that if we make a payment at the direction of a Representative Payee, any such payment shall be valid and shall discharge us from any liability for the sums paid. You consent that we may rely upon any proof of valid appointment of a Representative Payee and we will have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations set forth in this Agreement. The Credit Union will have no duty to oversee how a Representative Payee uses any funds withdrawn from the Account. You consent that if any deposit including those coming from the Social Security Administration to an Account is subsequently reversed, we may transfer funds in other Accounts held by the beneficiary in order to cure any overdraft that may occur as a result of the reversal. You agree to indemnify, defend and hold the Credit Union harmless from any claim, demand, suit, or other charge by any person or entity arising or resulting from the establishment, maintenance, and transaction related to a Representative Payee Account.

**8. Estate Accounts.** At our option we may issue shares and accept deposits in the name of an estate of a deceased individual or member which must be administered under applicable law. Any estate representative (whether executor, administrator or otherwise) authorized to open any such Account shall be subject to the terms and conditions set forth in this Account Agreement and any other agreement governing any such Account. You agree the Credit Union will have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations otherwise set forth in this Agreement and you consent that we will not

be liable for any loss occasioned by the fraud, negligence, or misapplication of funds by the estate representative. If we are presented with valid Letters of Testamentary or Letters of Administration, you grant we will have no further duty to determine if:

- a. The person appointed estate representative has qualified or continues to be qualified as a representative.
- b. An act of the estate representative is in accordance with or authorized by the Texas Estates Code or other applicable law.
- c. The validity or propriety of any instrument or any instructions executed or given by a person acting as estate representative.
- d. To oversee the administration by an estate representative of money or other property paid or delivered to him or her.

You agree we may rely upon Letters of Testamentary or Letters of Administration which are valid upon presentment, we may continue to rely upon the same without inquiring into their expiration or renewal, and we may assume their renewal unless notified to the contrary. Further, you concur that we will have no obligation to recognize or honor any such Letters which we know to have expired without renewal pursuant to the provisions of the Texas Estates Code or other applicable law. If we receive notice of expiration without renewal, we will have no obligation to honor any check which is presented for payment or to honor any requests for withdrawal of funds from the Account an estate until we receive renewed Letters or other orders issuing out of a Court of appropriate jurisdiction.

**9. Business and Organization Accounts.** At our option, we may open an Account, issue shares and accept deposits in the name of a business or organization upon such terms and conditions and membership requirements as we may establish from time to time. In the event we permit the opening of such an Account, you agree to provide us with any documentation we may require. You consent that we may rely upon the signature of any person authorized to transact business on behalf of the business or organization. Any authorization granted shall continue in effect until we receive written revocation thereof. To the maximum extent permitted by applicable law, the Credit Union shall not be liable for any loss occasioned by the fraud, negligence or misapplication of funds on the part of any officer, director, employee or agent of any such business or organization.

## **Checks and Withdrawals**

**1) Payment Authorization.** You authorize the Credit Union to pay checks processed with the correct routing and account number against the applicable Account. It will be your responsibility to verify the accuracy of information appearing on any checks, deposit slips, or other forms, and you consent that we will not be liable for any printing errors on any such forms unless the documents were created or ordered through one of our employees. Only checks, debit card, bill pay, electronic automated clearing house (ACH) or other methods approved or made available by the Credit Union may be used to withdraw funds from your Account. You agree to complete checks using non-gel black or dark blue ink which will transfer readily during scanning or imaging of the check. We will not be liable for any resulting losses, and you agree to indemnify, defend, and hold the Credit Union harmless if you fail to meet your obligations as set forth in this Agreement. If a non-member requests to cash a check drawn on your Account, we may require the non-member to present acceptable identification and fulfill certain requests that we may have in order to know if the request is legitimate. If the non-member refuses to comply with our requirements, we may deny acceptance of the check, and the Credit Union will not be liable for wrongful dishonor. In the event the applicable Account has sufficient available funds on deposit to cover one or more items presented for payment, but not all of the checks or other withdrawal transactions during any given business day (defined as Monday through Friday with the exception of federal banking holidays), we may honor those items in the order in which they are received. The Credit Union has the option, but rarely used, to first honor any withdrawal orders or checks payable to the Credit Union and return or refuse any item or withdrawal order for which there are insufficient funds available

thereafter. To avoid fees, you should ensure your Account contains sufficient available funds to pay your transactions.

**2) Stale Items.** A stale dated check is a check presented at the Credit Union six (6) months or more after the issue date of the check. In the event a check drawn on your Account is payable by its terms within a stated period of time, we are under no obligation to pay a check which is presented for payment more than six (6) months from its issue date.

**3) Overdraft and Overdraft Protection.** We pay checks and other payment orders on your account based on the “available balance.” The availability of funds in your account may be delayed or reduced as provided in this Agreement, the Funds Availability Policy, the Electronic Fund Transfers Agreement and Disclosure, the Mobile Remote Deposit Agreement, and for other reasons such as legal holds. You can check the amount of your available balance when you review your Account through our Online Banking, Mobile App, at many ATMs, or by calling or visiting a branch office during business hours. You must be enrolled in an electronic fund transfer (EFT) service in order to review your balance through Online Banking, Mobile App, or ATMs.

**a. Current and Available Balances.** In order to properly manage your Checking Account to avoid overdrafts and resulting fees, it is important to understand your Checking Account has two kinds of balances: the “current balance” and the “available balance.” The **current balance** of your Account is the actual amount of money in your Account at any given time. The current balance reflects transactions that have been posted to your Account but does not reflect pending transactions. For example, if you have \$50.00 in your Account and you write a check for \$40.00, then your current balance remains at \$50.00 until the check is presented and posted to the Account. The current balance does not reflect a pending check while it is in transit. The current balance does not reflect other items which have been preauthorized but have not yet posted to your Account, such as debit card purchases. Funds used to cover your transactions are limited based on the **available balance**. We use the available balance to determine if your account will be overdrawn. The available balance is the part of the current balance available for you to use without incurring overdraft fees. The available balance takes into account holds placed on Account funds for check deposits (pursuant to our Funds Availability Policy), pending preauthorized debit card transactions that have not yet posted to the Account, and legal holds. For example, if you have \$100.00 in your Checking Account and you use your debit card at a restaurant for \$50.00, then the merchant may ask for a preauthorization for the \$50.00 payment. We will place a hold on your Account for \$50.00 and your available balance will be reduced to \$50.00, even though your current balance will remain at \$100.00 until the debit card transaction posts or the preauthorized hold is released. The merchant has the right to request a preauthorization amount that may be different than the underlying transaction to account for additional amounts which could be added to the purchase. Funds subject to a hold are not available to cover your transactions such as checks, debit card transactions, online bill payments, and ACH payments. Please refer to the Electronic Fund Transfers Agreement and Disclosures for more information about debit card preauthorization holds. The available balance may not always reflect outstanding debit card transactions. **As a result of these factors, we recommend you carefully track all of your transactions to ensure you have sufficient funds available in your Checking Account when the transactions are presented to us for payment. Failure to do so may result in overdraft fees.**

**b. What is an Overdraft?** An overdraft occurs when a check, an electronic ACH payment, a debit card transaction, or any other payment you have made is presented to the Credit Union for payment, but sufficient funds are not available in your Checking Account or other applicable account to pay the transaction. In such a case, the payment would normally be returned to the payee’s financial institution for insufficient funds (NSF), and we may charge an NSF fee. If you have elected our Overdraft Transfer service or have a Personal Line of Credit loan with us, the transaction can be paid by automatically transferring available funds from your Savings or Personal Line of Credit loan. In addition,

if you are enrolled in our Overdraft Privilege (ODP) service, the Overdraft Privilege service may also provide an additional layer of overdraft protection when funds are not available from your other sources. The Overdraft Privilege service may not be available for all Checking Accounts. You may incur fees or other charges for using our Overdraft Privilege Services as set forth in our Fee Schedule.

- c. Overdraft Protection Services.** We offer three levels of Overdraft Privilege Services. The first level is called Overdraft Transfer and is available for qualifying Checking Accounts. This service transfers available funds from your Savings Account to pay a transaction when your Checking Account does not have sufficient available funds. It is determined whether sufficient funds are available when the transaction is presented for settlement. In the event you write a check or take any other action which would result in an Account becoming overdrawn and you have enrolled in our Overdraft Transfer Service, such check or action taken shall be deemed to be a request by you to us to transfer available funds from your Savings Account(s) in increments which are deemed sufficient to pay such check or otherwise remedy the overdraft, together with any service charge we may impose. We will use our best efforts to transfer funds to your Checking Account from your Savings Account in the manner in which you have directed in the Application. This service must be requested during the application process and you designate the priority of your transfer accounts during the setup process. As part of our first level Overdraft Privilege Services, we offer a Personal Line of Credit to members who qualify, which is a loan that can be used as needed to cover overdrafts. You can apply for this loan through our loan department or through our website at [www.abileneteachersfcu.org](http://www.abileneteachersfcu.org). The second level of Overdraft Privilege Service is called Overdraft Privilege-Standard Coverage. This service is available on most Checking Accounts to qualifying members in good standing, who meet eligibility requirements, and request it. Overdraft Privilege-Standard Coverage is provided as a non-contractual courtesy pursuant to the "What Else You Should Know about Overdraft Privilege" information posted on our website. Overdraft Privilege-Standard Coverage is not a line of credit and is not guaranteed. In the event a check, ACH, cash withdrawal, or bill payment transaction is presented for payment and sufficient funds are not available in your Checking Account and if there are no other sources of Overdraft Privilege Service available, we will strive to pay your reasonable overdrafts if standard coverage is available on your account. The third level of Overdraft Privilege Service is called Overdraft Privilege-Extended Coverage which extends the Overdraft Privilege-Standard Coverage to your ATM and debit card transactions. We will charge an Overdraft Privilege Fee as set forth in the Fee Schedule for using the Standard or Extended Coverage Overdraft Privilege Service. The amount of the Overdraft Privilege Coverage approved for your Checking Account may vary and is subject to change at any time based on certain membership factors such as the age of the Account, deposit activity and history, including repayment history. If you want to discontinue the Overdraft Transfer and/or Overdraft Privilege Services for your Account, you may opt-out at any time by calling or writing to us. Please refer to the Overdraft Coverage section of our website for additional information about the service.

- 4) Payment Order of Transactions.** The order in which we process checks and other withdrawal orders (collectively, "Items") may affect the total amount of overdraft and other fees that may be charged to your Account. Items may not be processed in the order made. We may choose to process items in any order in keeping with applicable law. Usually, we pay items as we receive them. We receive items to be processed against your Accounts multiple times per day in what are referred to as presentment files. Each presentment file contains a large amount of a specific type of item, for example, checks, ACH, ATM, and Point-of Sale (POS). These presentment files may contain no items, one item or multiple items to be processed against your Account. Transactions performed in person, such as withdrawals or checks cashed at our branch offices, are paid as they are performed.

**5) General.** You agree to maintain funds in your Accounts at all times sufficient to pay any withdrawal order (whether oral, written, or otherwise) including an item presented for payment against the applicable Account. We are under no obligation to pay any order or item:

- a. If the amount of the item exceeds the available balance of the Account upon which the order was made or the item was drawn.
- b. If the item would exceed limitations imposed upon the applicable Account under our policies and procedures or under applicable law.

In the event we do pay such order or item, the Credit Union retains the right to dishonor any subsequent orders or items presented. If an overdraft or negative balance is created from an item that was covered or a deposit reversal, you agree to pay us immediately the amount by which the Account is overdrawn which includes any assessed fees. You authorize us to use deposited funds, including a direct deposit of Social Security or other government benefits to cover the overdrawn amount of your account. You consent that the Credit Union is able to transfer amounts from any other eligible Accounts to which you are an Owner or Authorized User in amounts sufficient to cover any overdraft and fees. You understand we will use any other collection remedy available to us by law to recover any losses we sustain. A fee may be charged for Overdraft Privilege transfers as set forth in the Fee Schedule. If, after all sources of Overdraft Privilege Services have been applied, sufficient funds are still not available to pay an item, it will be returned to the payee due to insufficient funds and a charge will be assessed to your Account in amounts as set forth in the Fee Schedule. A merchant or other payee may resubmit a returned item multiple times for payment, resulting in multiple NSF fees which may be charged for the same item returned by us each time. NSF fees are charged throughout the business day as presentment files are posted. NSF and other fees cause the current and available balance of your Account to be reduced which may cause the Account to go into or further into overdraft. Each party to any of your Accounts will be jointly and severally liable for overdrafts caused by any Owner or Authorized User. You agree we have no duty to and we are not allowed to notify any Owner or any other Account party of any Account transactions or other actions initiated by another Account Owner or party.

**6) Signatures.** You authorize the Credit Union to recognize any signatures set forth on the Application for the payment of funds or transactions processed through your Accounts. You permit us (even though we are not obligated) to pay checks presented with the correct routing and account number for payment even if the signature or signatures thereon do not correspond exactly with signatures on the Application. We are not responsible for refusing to honor a transaction if we believe in good faith the authorizing signature is not authentic. We may recognize electronic signatures, facsimile signatures, signatures imprinted by mechanical devices or any other method of authentication, including orders to pay which are received electronically or telephonically. You agree to indemnify, defend and hold the Credit Union harmless from any losses resulting from our honoring an item which bears or purports to bear an electronic, imprinted, or facsimile signature resembling the same instance of signature on file with us, regardless of by whom or by what means the actual or purported signature was affixed to the item. You agree we may deny any party the right to withdraw funds from any Account unless they present identification which we deem acceptable.

**7) Postdated, Incomplete and Conditional Items.** You agree to indemnify, defend and hold the Credit Union harmless from any and all loss and liability which may occur due to our inadvertent payment of incomplete, postdated items, items endorsed 'without recourse' or conditional items. You consent that we will not have any duty to discover or comply with postdated, incomplete or conditional items. Due to our automated check processing procedures designed to process the greatest volume of items at the lowest cost to you, you understand any information on any check or draft other than the amount of the item, the identity of the drawee bank and any magnetically encoded information (MICR) may be foregone regardless of whether the data is consistent with any other information on the item. This may include any legends appearing on the item, but not encoded in the MICR line, even though those legends are important to you for your own purposes. You concur that we may decline to accept, process or pay any item or order which we believe is



vague or otherwise unclear in its terms. You agree, at our option, we may use our best efforts to resolve any unclear terms. You agree to release, indemnify, defend and hold the Credit Union harmless from any and all loss and liability which may incur or may arise in connection with our attempts to resolve any such ambiguity.

**8) Wire Transfers, Automated Clearing House (ACH) and Other Payment Order Transactions.** A wire transfer is an electronic transfer of funds across a network administered by hundreds of financial institutions around the world. Even though it is defined as an electronic transfer it is not governed by the Electronic Funds Transfer (EFT) regulations. The Automated Clearing House (ACH) is the electronic clearing and settlement system used for financial transactions such as payroll, direct deposit, tax refunds or payments, consumer bills, and many more payment services.

- a) Governing Law and Regulations.** If you send or receive a wire transfer, Fedwire may be used. Federal Reserve Board Regulation J is the law which covers transactions made over Fedwire. If you are a party to an ACH entry, you acknowledge and agree any such entry will be governed by the National Automated Clearing House Association (NACHA) Operating Rules, Electronic Funds Transfer (EFT) regulations, the Rules of any local ACH, and the Rules of any other system through which the entry was made. Other payment orders you make may be governed by Chapter 4A of the Texas Business and Commerce Code.
- b) Notification.** Under NACHA Rules we are not required to give you notice of the receipt of a wire transfer or ACH entry and we will not do so. We will notify you of these transfers in your Account Statement, Online Banking, and Mobile App.
- c) Provisional and Final Payment.** If we credit your Account for an ACH entry or a wire transfer, the credit is provisional until we receive final settlement for the item. If we do not receive final settlement or if we credit your Account by mistake, we are entitled to withdraw the amount credited. You agree we may reverse the credit and require you to reimburse us for any funds already spent by you.
- d) Identifying Account Numbers.** You agree we can rely upon any identifying information or Account number given to us in connection with any ACH or wire transfer even if the Account is held by a different person than the named beneficiary or it is sent by another financial institution than the named financial institution. You consent that neither the Credit Union nor any other institution involved in the transaction have a duty to determine whether the number given matches the intended beneficiary or the named financial institution. If we receive a deposit for you which does not specify a particular Account, you agree we may settle the payment into any eligible Account of yours, including a Joint or Multiple Party Account.
- e) Our Liability; Interest Payable.** The Credit Union may be responsible for your actual losses or expenses, to the extent recoverable under Chapter 4A or other applicable law if we fail to exercise ordinary care in carrying out your instructions in connection with a wire transfer transaction. We are not responsible for the acts or omissions of third parties through whom payments are sent, even if those parties have acted as our agent. We are not liable for detecting errors in any wire transfer or other payment order provided to us. We cannot be held accountable for any special, indirect, exemplary, or consequential damages (including lost profits or reasonable attorney fees) of any kind arising out of a wire transfer transaction, even if we have been advised or should have known of the possibility of such damages. We are not required to pay interest on any amount owed to you due to an unauthorized wire transfer arising out of our error unless you exercise ordinary care to discover the unauthorized transfer and promptly advise us of the relevant facts within the time period set forth below in the Account Statements section #5 under General Provisions. Any rate of interest we might be obligated to pay to you as a matter of law for a delay or incorrect transfer arising out of our error will be the lower of the Federal Funds rate at the time of the correction or the dividend rate which we pay on the Account to or from which the funds transfer should have occurred. You agree to indemnify, defend, and hold the Credit Union harmless from any cost, liability, expense (including reasonable attorney fees) arising out of any "Claim" by a third party alleging that any payment order of yours

breaches or compromises the rights, title, or interest of any third party or violates any law, rule, regulation, ordinance, court order, or other mandate or prohibition with the force of an effect of law. We may be legally responsible if the Claim arises out of our failure to exercise ordinary care, failure to act in good faith, or failure to act in accordance with your instructions given pursuant to this Agreement.

- f) **Security Procedures.** We reserve the right to refuse any outgoing wire transfer or other payment order instructions. You agree we may verify the authenticity of payment orders using our security procedures in place at the time of any such order which include, but are not limited to, a combination of signature verification, call back procedures, identifying words or numbers and identification via valid driver's license, state issued ID, or other photo identification document. You consent that these procedures are commercially reasonable in view of your particular circumstances and the type or frequency of payment orders contemplated by you. If you do not agree to our security procedures, you must notify us in writing. In such event, we will have no obligation to accept any payment order from any Owner or Authorized User on the Account until there are agreed upon security procedures in place and in writing.
  - g) **Force Majeure.** We will not be responsible for a failure to execute a payment order according to your instructions if an interruption in communication facilities or some other circumstance beyond our control such as fire or flood prevents the transfer, despite reasonable precautions we have taken. We will notify you of the failure or delay and complete the transfer as soon as possible.
  - h) **Cutoff Times.** Transfers, payments orders and communications canceling or amending payment orders received after 4:00 p.m. on each business day (defined as Monday through Friday with the exception of federal banking holidays) we are open may be treated as having been received on the next banking day and processed accordingly. Wire transfers and other payment orders may not be amended or canceled after we have accepted them.
  - i) **General.** Your contractual arrangement for wire transfers, ACH, and other payment order transactions may provide for additional terms and conditions. You agree that only our forms, methods, and procedures may be utilized. You consent that in the event of an error, we may correct any such error without prior approval by you. If we are required to reimburse the U.S. government for a benefit payment made to your Account by direct deposit, we may deduct all or part of the amount owed from any eligible Account in which you have an ownership interest. Any authorization you make to initiate paperless debit or credit entries will remain in effect until we receive written notice from you indicating your authorization has been revoked, in a manner and in time to provide us with a reasonable opportunity to act on it.
- 9) **Stop Payment.** You may stop the payment of most items drawn on your Accounts except for preauthorized debit card transactions, ATM withdrawals, wires, certified, cashier's or tellers' checks issued by us at your request and other payment items as allowed by applicable law. You agree to indemnify, defend, and hold the Credit Union harmless from any cost, liability, claim, loss, damage or expense (including reasonable attorney fees) which may incur by virtue of our refusing payment of any item on which you have requested a stop payment; as well as for payment of any items after your stop payment order has expired. An oral stop payment order will only be binding for 14 days after which time it must be renewed in writing. A written stop payment order will be effective for six months and may be renewed upon a request made in writing to us. We will charge a fee as set forth in our Fee Schedule for any stop payment order, renewal or revocation. We are not required to notify you of the expiration of a stop payment order. A stop payment order, a renewal of any such order, or a revocation of any such order shall not be effective for more than 14 days unless it is delivered to us in writing during regular business hours, to a staff member in the Member Account Center or Member Services Department at one of our lobby locations. A stop payment order, renewal or revocation shall not be effective until we have had a reasonable opportunity to act on any such order. In addition, we will not be liable for the payment of an item if the stop payment order is received after the item was accepted and

processed. Due to computer system limitations, an item can be intercepted for stop payment only if the stop payment order states the precise amount, date, check number, name of payee and any other information that we may reasonably require. If the information is not provided exactly as it appears on the item, we will not be responsible if we are unable to stop payment. You agree we may honor a stop payment order, revocation or renewal if made by any Owner or Authorized User on the Account; it does not have to be the Owner or Authorized User who signed or initiated the payment order. You consent that we will not be liable for any unintentional payment of any item notwithstanding a stop payment order, if we have used ordinary care and followed our usual practices in handling such an order. A stop payment order on a check may not effectively stop the check from clearing your account if the payee processes the check as an ACH and does not include the check number as part of the ACH record. If an item is inadvertently paid over a valid stop payment order, due to our failure to exercise ordinary care, we may be liable to you for a portion of any loss you suffer as a result. You agree it will be your responsibility to establish any such loss. You consent that we will never be liable for more than your actual loss and we will not be liable for any consequential damages. If we do credit your Account after paying an item over a valid stop payment order, you concur to take whatever action we deem necessary to transfer to us all of your rights against the payee or holder of the item and be willing to assist the Credit Union should we need to take legal action against the payee to recover any losses. For information concerning your right to stop payment of preauthorized Electronic Fund Transfers, please refer to our Electronic Fund Transfers (EFT) Agreement and Disclosures.

**10) Credit Union Liability; Indemnity.** Except for losses caused by our failure to exercise ordinary care or our failure to act in good faith, you agree we will not be liable for any action or inaction regarding the payment or non-payment of items, collection of items, other withdrawals, or transfer of funds for the settlement of overdrafts. The term **ordinary care** means observance of financial institution industry practices which do not vary unreasonably from the general financial institution practices prevailing in the areas we service.

**Subject to applicable law, you agree we will never be liable for any indirect, special, or consequential damages arising out of or related to our obligations under this Agreement, even if we have been advised of the possibility of such damages. If we pay an item over a forged drawer's signature, we will not be liable for more than the face amount of the item and any fees the Credit Union assessed your account in the clearing of the item.** Except for acts and omissions caused by our failure to exercise ordinary care, willful misconduct, or violation of this Agreement, you agree to indemnify, defend, and hold the Credit Union, our officers, employees, and agents harmless from and against any losses, claims or expenses (including reasonable attorney fees) and costs of litigation arising out of or related to the services provided under this Agreement, subject to applicable law. You agree to indemnify, defend, and hold the Credit Union and our officers, employees and agents harmless from any and all claims, expenses, losses, and damages arising out of our reliance on any instructions or information provided by you. We will not be accountable for the acts or omissions of a third party not within our control. We will not be liable for any failure or delay in performance under this Agreement that is related to or caused by circumstances beyond our reasonable control.

## **Deposit of Items**

**1. Handling of Items.** The Credit Union acts only as a collecting agent for any items deposited. Any deposit we accept shall be provisional and will be subject to subsequent payment verification. We are not responsible for any deposit or other transaction initiated by mail until the item or order is actually received. If accepted, items drawn on financial institutions located outside of the United States are handled on a collection basis only. Even if we have made funds from a deposited check or other item available for withdrawal that does not necessarily mean the item has been paid by the issuing financial institution. It is possible a deposited item can be returned unpaid after we have made the funds available and you have withdrawn the funds. You are responsible for all items returned on your Account and any associated fees. You acknowledge that no one, including our employees, can guarantee a check or other item you deposit will not be returned. We will not be responsible for any deposit or other transaction made through the use of our

night depository or any other unattended facility until the item or items are actually removed from the depository or facility by one of our employees. We will not be responsible for any deposit or other transaction during the course of delivery to us by the postal service, courier or other third party until the item or items are actually received by one of our employees.

We will not be liable for the negligence of any correspondent financial institution nor for any loss incurred in transit when items are forwarded. We are not accountable for delays resulting from any interruption of communication facilities or any other circumstances beyond our control. You consent to bear the risk of any change in the exchange rate with respect to any items which may be payable in foreign currency. You grant we may charge back any item before payment, whether the item has been returned or not. You agree if a deposited item is subsequently returned based upon a breach or an alleged breach of any transfer warranty, presentment warranty or otherwise, the Credit Union may withdrawal the amount of any such item from your Account at any time without notice. You concur that we may resubmit an item for payment that has been returned to us without notice to you that an item has been dishonored or charged back against your Account. A Return Deposited Check Fee as set forth in the Fee Schedule may be charged each time a resubmitted item is returned to us. If we cash a check or checks for you over the counter at your request and the check or checks are subsequently returned unpaid for any reason, you consent that we may withdraw the amount of the item(s) against your Account together with a fee for the returned item(s) as set forth in the Fee Schedule. You grant if the Credit Union is charged a fee by another financial institution in connection with any of your Accounts, that fee expense may be passed on to you and settled from your Account. You acknowledge we employ an automated collection procedure in order to more efficiently handle the high volume of items we process, and for that reason our procedures generally do not include sight review of items. You acknowledge and consent that reasonable commercial standards do not require the Credit Union to sight review every check presented and the failure to sight review does not constitute a lack of ordinary care in the payment of any item.

**2. Endorsement Standards.** The area from the trailing edge of a check to 1.5 inches from the trailing edge of a check is reserved for the payee's endorsement. The trailing edge of a check is defined as the left side of the check looking at it from the front. You and all other endorers must make your endorsement within this prescribed area and may not place any other writing or other markings outside this area. We have the right to request you endorse all checks payable to you for deposit into your Account. For security purposes if you place a deposit in the Overnight Depository or send it through the postal service, we recommend that you endorse the check(s). All Mobile Remote Deposit Checks must be endorsed and include in writing "Mobile Deposit". If any checks are received without an endorsement, we may use a stamp endorsement or we may return it to you for an endorsement. If any endorsement or other writing that you or any other endorser makes causes any error or delay in the processing of the item, you consent that you will be liable for any loss that we incur as a result of the delay or error. You agree to indemnify, defend, and hold the Credit Union harmless from any such loss. The Credit Union is not required to nor will we recognize endorsement restrictions limiting payment to a particular person or prohibiting further transfer or negotiation of the instrument.

**3. Right to Refuse Deposit.** A substitute check is a special copy of the front and back of an original check. It may be slightly different in size from the original. Substitute checks are specially formatted so they can be processed as if they were original checks. The front of a substitute check should state: 'This is a legal copy of your check. You can use if the same way you would use the original check.' If you request we accept for deposit a substitute check not created by a financial institution or a check that has already been deposited at a financial institution but returned, we are under no obligation to accept that check for deposit. If we do, you agree to indemnify, defend, and hold the Credit Union harmless from any loss or liability, including consequential damages and expenses (including reasonable attorney fees) which may arise because of our acceptance of the item. At our discretion we may refuse any deposit, limit the amount which may be

deposited, accept all or part of a deposit for collection only, or close the Account subject to applicable regulations.

**4. Deposit Verification.** If a deposit is made to your account and we subsequently determine the deposit or the amount of the deposit initially credited was incorrect, without notice to you we may correct any such error and make corresponding adjustments to your Account in order to reflect the correction. If a deposit is made to your account and we subsequently determine that the deposit is suspicious or possible fraud, we will place the funds on hold and contact you about the reason for the hold and why the deposit is thought to be fraudulent.

## **General Provisions**

**1. Electronic Signatures and Records.** You agree the Credit Union can act and rely upon documentation, correspondence, or other instructions with respect to your Accounts we receive by way of electronic or facsimile transmission including account agreements, requests to modify accounts, loan agreements, and any other order; and you consent to such verification procedures as we may implement from time to time. By using a computer, mobile device, signature pad, or other electronic device in connection with authorizing and completing transactions with us, you agree to the use of electronic signatures and any such signature of yours will be deemed your handwritten signature for all purposes. You concur that we may maintain copies of Account records including copies maintained electronically in lieu of any original and any such copy will be considered an original record for any purpose, including admissibility as evidence as an original record before any court or administrative agency.

**2. Account Security.** The Credit Union will never contact you by telephone, email, or text messaging and ask you to give us your user name(s), personal identification number(s) (PIN), or password(s) you use with your debit card, to access Online Banking or to use the Mobile App. You agree to exercise precautions and safeguard your identity, your Accounts, and your Account information, including, without limitation, maintaining up-to-date malware, anti-virus software and installing all operating system updates on your computers and other devices used to access our electronic services. You consent to never give your personal information or Account information to anyone you do not know or whose identity you cannot verify. If you give your personal information to someone and they use your information to access your Account, you grant that such use will be deemed as authorized for which you will be responsible. You concur to remain vigilant for phishing and other fraudulent scams and notify us promptly if you become aware of or suspect any fraudulent activity involving your identity, your Accounts, or the Credit Union. If you receive an email, text, or other communication that appears to have been sent by the Credit Union and asks for your personal or Account information, you agree not to respond to the message and notify us immediately. If you fail to exercise reasonable care to protect your identity and safeguard your Accounts, we will not be responsible except as required by law. You agree to indemnify, defend and hold the Credit Union harmless from any and all loss and liability which may occur due to your accidental or careless release of personal and private information that puts your Account and the Credit Union at risk.

**3. Taxpayer Identification Number and Backup Withholding.** The Internal Revenue Service (IRS) requires recipients of dividend, interest, or other payments to give taxpayer identification numbers to credit unions and other payers who must report these payments to the IRS. The IRS uses the numbers for identification purposes. Credit unions and other payers must have on file the taxpayer identification numbers whether or not recipients are required to file tax returns. Credit unions and other payers must generally withhold a percentage of taxable interest, dividends, and certain other payments to a payee who does not furnish a taxpayer identification number and for members who are subject to backup withholding. Certain penalties may also apply. We will withhold funds from your account and report the amount and send the funds to the IRS in the event:

- a. You have been notified by the IRS that you are subject to backup withholding due to payee under-reporting and you have not received a notice from the IRS that the backup withholding has been terminated.
- b. If you provide us with an incorrect taxpayer identification number, the Credit Union is required to withhold payment in part, of dividends or interest owed to you in amounts determined by the IRS and to pay interest or dividends withheld to the IRS.

**4. Dormant (Inactive) Accounts.** We may charge a fee for dormant (inactive) accounts as set forth in the Fee Schedule. For Texas residents, an Account is dormant if for more than one (1) year there has not been any communication or activity (deposit, withdrawal, or transfer) to or from the Account by you, your agent, or your representative. If you reside in Texas, a Checking, Savings, or matured Share Certificate Account is presumed abandoned if:

- a. The Account has been inactive for at least three years from the date of your last transaction on the Account.
- b. Your last correspondence with the Credit Union concerning your Account was at least three years ago.
- c. We are unable to locate you.

If a member resides outside of Texas, the unclaimed property laws of the member's State of Residency will apply. If an Account is presumed abandoned under applicable law, we will make multiple attempts, through a variety of channels, to notify you. Texas residents may designate a representative in advance for purposes of receiving such notice. If you do not claim the property or you and/or your representative have not communicated with us in a timely manner, we are required to report the abandonment and remit the Account funds or other property to the Texas Comptroller's Office, or other state office in the state in which you reside. Accounts not subject to dormant account fees or reporting requirements are Accounts owned by:

- a. Members active in the United States military.
- b. Members younger than 18.
- c. Members attached to an active account or loan (even if it is not under their membership) which has current transactions or loan payments transpiring.

**5. Account Statements.** You have the option to receive electronic statements or paper statements sent through the postal service. We are required to provide the Account statement, notices, and other communications only to the Primary Member who is responsible for providing all such communications to the other Account parties. Notice to one Owner or Authorized User shall be considered notice to all. Unless there is an agreement in place with the Primary Member, we will mail or deliver the Account statement to the most recent address or other agreed upon location we have for the Primary Member in our records. If you request electronic statements, notices and communications, notification will be sent to the Primary Member's email we have on file. **You agree to notify us promptly if you move, change your address, or if any other contact information such as your telephone number or e-mail address has changed.** You understand we may alter your address of record if we receive an address change notice from the postal service. It is your responsibility to ensure that you receive your Account statements and you agree we are not responsible for loss or theft during the delivery of your Account statements. You agree to notify us immediately if you fail to receive an Account statement whether it is a monthly or quarterly statement. Your statements are mailed within the first five business days of each month. You agree to notify us within the first ten business days of the month if you fail to receive your Account statement.

You are responsible for promptly examining each Account Statement we provide or make available to you. Notifications for objections you may have about an unauthorized withdrawal, deposit, transfer, payment order or any other item shown on or missing from a statement must be received by an employee of the Credit Union on or before the 60<sup>th</sup> day following the date the statement is mailed or is otherwise made available, subject to applicable law. If you have a concern relating to a substitute check, you must notify us in writing within 60 days of the date we mailed or delivered the substitute check in question or the Account statement

showing the substitute check posted to your Account, whichever is later. (see Deposit Items, section #3 Right to Refuse Deposit for definition of substitute check) If you are unable to make a timely claim relating to a substitute check because of extraordinary circumstances, we may extend the time period. You agree we will not be liable for any unauthorized withdrawal, any payment order, any forged, unauthorized or altered item drawn on or deposited, any item with missing signatures or endorsements, any missing or diverted deposit or any other error or discrepancy if you fail to notify us within the 60-day period. You understand we are not liable for any forged or altered item if the forgery or alteration is not readily ascertainable upon inspection. If you fail to notify us of the first unauthorized transaction within the 60-day period, we will not be liable for the same subsequent unauthorized transactions even if the subsequent unauthorized withdrawals are reported promptly. You consent that no legal action will be instituted by you against the Credit Union seeking the recovery of any alleged loss as a result of a forged, unauthorized, or altered item, missing or diverted deposit, or due to any other error or discrepancy, unless you have provided us with notice within the 60-day period. Any such legal action must be instituted within two years after the date that the statement containing any such error was mailed or otherwise made available to you. Please refer to your Electronic Funds Transfer (EFT) Agreement and Disclosures to determine your notification obligations in the event of an unauthorized EFT or other errors in connection with such transfers. Some errors related to international payment orders or remittance transfers may be subject to different notification obligations as disclosed at the time the remittance transfer service was provided.

Until the Credit Union adopts alternative procedures, checks drawn on your Account will not be returned to you with your statement. Copies of checks are available through Online Banking, the Mobile Banking App or upon your request in conjunction with a surcharge as set forth in the Fee Schedule. Your consent to your duty to examine statements promptly and to your obligation to notify us in the event of any error is not waived or diminished in any respect by our electronic retention of checks drawn on your Account. You will receive an Account statement monthly if you have a Checking Account. If you have a Savings Account, you will receive a quarterly statement unless there are ATM or ACH transactions (EFT transactions) occurring on that Account; in that case you will receive a monthly statement for the months when an EFT transaction occurs. You acknowledge that any individual provided your Account statement by you has visual access to the Account information on that statement, even if they are not authorized on any or all Accounts. We are not responsible for such access.

**6. Illegal Transactions.** You consent to comply with applicable law in maintaining and using your Accounts with us, including without limitation United States economic sanctions laws and regulations issued by the United States Department of Treasury "Treasury", Office of Financial Assets Control "OFAC", and Presidential Executive Orders. We are prohibited from processing illegal transactions, including unlawful Internet gambling transactions, through your Accounts. You may not use your Account in any manner or for any transaction that we believe poses an undue risk of illegality. We may refuse to process or authorize any such transaction. If you take part in illegal transactions or unlawful activity, we may impose restrictions on your Account, up to and including limiting your access to Account services. If you engage in a transaction that is determined to be illegal, you will be liable for any loss that is sustained by the Credit Union. You waive any right to take legal action against the Credit Union for any illegal use or transactions. You agree to indemnify, defend, and hold harmless the Credit Union and any third-party processors from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal transactions.

**7. Legal Process.** You authorize the Credit Union to recognize and honor subpoenas, court orders, levies, garnishments or other instruments of legal process, including attorney fees, issued against you and your account from any appropriate jurisdiction or state. You consent that we may debit your Account for charges and costs incurred by the Credit Union in connection with negotiations, responses, appearances, plus the production of statements, items or other documents to the extent not otherwise prohibited by law. Subject to applicable law, you understand any levy, attachment, or garnishment against your Account will be subject to

our statutory or contractual lien(s) set forth below and you authorize us to exercise our statutory or contractual lien(s) whether or not any outstanding obligation(s) is in default.

**8. Statutory Lien.** Federal law grants us the right to impress a lien on all funds in any Account you have with us (whether you are a Primary or Legal owner) if you are in default or otherwise fail to satisfy a financial obligation with the Credit Union. We may exercise this right without notice to you. To the extent provided by law, this statutory lien applies to all shares and accumulated dividends that you have with us, including Accounts you hold jointly with other individuals even if they are not associated with your obligation.

**9. Contractual Lien.** Except as prohibited by applicable law and/or our policies and procedures, you may pledge all or part of your shares as security for any loan. In addition to any statutory lien we have as a matter of law, you grant us a contractual lien on all shares and dividends in any Account in which you have an interest including Accounts you hold jointly with other individuals. This contractual lien extends to any loans and/or other obligations of yours owed to us which lien secures repayment of any such loan or obligation to the extent not prohibited under the Federal Truth-in-Lending Act or other applicable law. You understand if any such Account is a Joint or Multiple Party Account, the entire amount in the Account shall be subject to our statutory and contractual liens and shall secure the indebtedness of each individual to the Account with loans or obligations to us. If you are in default or otherwise fail to satisfy a financial obligation to the Credit Union, you consent that we may exercise our statutory or contractual lien and apply the entire amount in any Account against the indebtedness of any party to the Account without notice. You concur to pay us all expenses and costs, including reasonable attorney fees, that we may sustain in defending or enforcing our right to exercise our statutory or contractual liens against the indebtedness of any individual. You understand we will not be liable for dishonoring checks or other items where the exercise of our statutory and contractual lien resulted in insufficient funds available in the Account to honor such items. If at any time the Credit Union elects not to enforce the statutory or contractual liens, that does not mean we waive our right to enforce them on future occasions. The statutory and contractual liens secure all direct and indirect indebtedness which you may owe to us whether as a borrower, co-maker, guarantor or otherwise. The statutory and contractual liens do not apply to any shares or deposits in an IRA, SEP, Keogh, HSA or any other Account which would result in the loss of special tax treatment for you under the Internal Revenue Code.

**10. Real Estate Lien.** You agree with regard to any indebtedness to the Credit Union secured by your principal residence, our real estate lien shall not be construed so as to diminish or forfeit any lien or indebtedness secured by such residence, nor shall our lien be construed so as to permit the modification of any claim we may have under 11 U.S.C. §1322(b)(2), and to the extent that this lien may be or is so construed, it is hereby waived and shall be void.

**11. Dispute Resolution.** We may restrict transactions to or from any Account or deny Account services if:

- a. We suspect that fraudulent misconduct is or has taken place with respect to any Account.
- b. We are uncertain about transactions taking place on your Account and we are unable to contact you for confirmation.
- c. We are notified that an Owner on an Account has died or is incompetent to manage his or her affairs.
- d. We have been notified that a dispute exists between or among Owners, Authorized Users or third parties to the Account with regard to their respective interests in the Account.
- e. There are competing claims to funds on deposit.
- f. We are in doubt concerning the individual interests of any Owners or Authorized Users to an Account or a third party claiming an interest in the Account.

These restrictions may remain in place until we are satisfied that any obligation you may have according to applicable law and under this Agreement have been met. The restrictions may continue to apply until any dispute, misconduct, doubt, suspected criminal fraud, a third party making a claim to funds in the Account, or the existing probate matter has been resolved by written settlement agreement entered into by the applicable parties or by a court of appropriate jurisdiction. You agree the Credit Union may recover any reasonable



attorney fees or costs expended in connection with the foregoing. These fees or costs will be payable by you directly or out of any Account in which you have an interest.

**12. Notices.** Make sure to review our agreements and disclosures in order to document what notices you can deliver over the telephone, in person, or in writing. Unless otherwise stated any notification or communication from you to the Credit Union must be in writing. Any such notice will not be effective until we have actually received it and had a reasonable opportunity to act on it. Until we specify otherwise in any notice we provide to you, communications from us will be effective when mailed or made available to you.

**13. Power of Attorney.** The Credit Union may decline to accept any Power of Attorney (POA) as permitted by applicable law. If a POA for an individual or a particular transaction is accepted, that does not mean the POA will be accepted or acceptable for a future transaction. We reserve the right to refuse a POA, as permitted by applicable law at any time and for any transaction even if the request is expressly within the scope of the POA's powers. There may be a request for additional paperwork to be completed by the POA in order to perform a transaction. If we accept a POA, we may continue to honor it until we receive written notification of its revocation from the appropriate authority and have had a reasonable time to act on it.

**14. Denial of Services.** It is the policy of the Credit Union to limit or withdraw services and you agree we have the right to place these restrictions on services otherwise extended to members and/or other parties in the following circumstances:

- a. In the event that any Credit Union member or other party becomes delinquent on any obligation to the Credit Union, causes a loss to the Credit Union, or makes known their intention to cause a loss to the Credit Union, whether by way of loan default, Account overdraft, or otherwise.
- b. In the event that any Credit Union member or other party has been abusive in the conduct of his or her affairs with the Credit Union.

Restrictions include, but are not limited to, the right to maintain certain Accounts, the right to payment of certain dividends and interest, and the availability of Electronic Funds Transfer (EFT) services. The EFT services may include without limitation preauthorized transfers, telephone, computer, and mobile access services, and ATM/debit card services. An abusive party is subject to further sanctions as appropriate, including without limitation, denial of specific services that involve personal contact with Credit Union employees, denial of access to Credit Union branches, a recommendation of expulsion from the Credit Union, and any other action deemed necessary under the circumstances which is not expressly precluded by the Federal Credit Union Act, National Credit Union Administration Regulations, and our Bylaws.

**15. Closing the Account; Terminating Membership and Services.** Only the Primary Member may close the membership and reduce the balance to zero (\$0.00) on the Membership Savings Account below the par value of one share. Legal Owners can close all other accounts. The Credit Union reserves the right to require the written consent of any or all Account Owners to close a Joint or Multiple Party Account. Your right to close an Account is subject to the Credit Union's statutory or contractual liens, any legal process levied against any Account, and any preauthorized Debit Card holds. If we are forced to pay any item or payment order after your Account is closed, you consent to reimburse us or we may remove the funds from another account you hold even if it is held jointly with other individuals. The Credit Union may close an Account at any time and disburse funds on deposit in any such Account to the Owners of the Account or in satisfaction of any obligation owed to us in any manner we deem appropriate if:

- a. Any of the events set forth in the preceding sections 11 (Dispute Resolution) or 14 (Denial of Services) should arise.
- b. The Credit Union believes it may suffer a loss if the account is not closed.
- c. The Credit Union determines that any party to the Account or claiming an interest in the Account has been abusive in the use of the Account or in the conduct of his/her affairs with the Credit Union.
- d. Illegal or fraudulent transactions have been processed through the Account.
- e. Our attempts to verify your identity have failed.

- f. You do not cooperate with our reasonable requests in connection with maintenance of your Account or for other good cause.
- g. There has been a change in Account ownership or a change with regard to the persons authorized to sign on the Account without notification to or approval from the Credit Union.

Your Credit Union membership may be restricted if you cause us a loss or for other good cause, or if you do not maintain the minimum qualifying par value share Account balance required for Credit Union membership. A Primary Member may terminate any one or more of a Legal Owner's, Authorized User's or other party's services at any time by notifying us in writing or making a request in person. We are not required to notify any individual when they are removed from an account.

**16. Bylaw Requirements.** An applicant eligible for membership may be admitted under the procedures set forth in our Bylaws. If the individual or individuals are qualified, after completing an application and providing all required documents and funds, the applicant shall become a member and be entitled to the rights and privileges of a member.

**17. Death or Incompetence of Account Owner.** You agree to notify the Credit Union promptly in the event of any death or adjudicated incompetence of any Account Owner or Authorized User. We may continue to accept deposits, pay items, pay other payment orders, and allow any other transactions until we are notified of an Account Owner or Authorized User death or of an adjudication of incompetence, and we have a reasonable opportunity to act upon any such notice. We may pay items drawn against an Account or other payment orders authorized by the deceased or incompetent Account Owner even after notification unless we receive a stop payment by a person claiming an interest in the Account. We will require any person claiming an interest in the Account to agree to indemnify, defend, and hold the Credit Union harmless against any losses arising out of the payment of any such claim. This Account Agreement will be binding upon the heirs or legal representatives of any deceased Account Owner or any Account Owner who is adjudicated incompetent. We may continue to pay dividends on an Account following the death of an Account Owner. If any surviving Legal Owner is a Primary Member of the Credit Union on a different account, we may require that the Account be closed and the funds be transferred to the surviving Legal Owner's Primary Membership Account. In distributing Account proceeds upon the death or incompetency of any Owner or Authorized User, you consent that we may rely upon the Account Application at the time of any such death or incompetency.

**18. Attorney Fees.** In addition to any other rights the Credit Union may have under this Agreement to recover fees and costs to the extent permitted by applicable law, we shall be entitled to recover reasonable attorney fees and other costs in connection with:

- a. The enforcement of this Agreement, regardless of whether we elect to bring suit for that purpose.
- b. Compliance with applicable law with respect to your Account.
- c. The defense of any rights we may have under this Agreement.

You authorize the Credit Union to deduct any such fees and costs from your Account including Accounts you hold jointly with other individuals without prior notice.

**19. Amendment.** From time to time, the Credit Union at our sole discretion may add, change, or delete any terms of this Agreement, Truth-in Savings Account Disclosures, Rate and Fee Schedules, and any notice, agreement, policy or procedure made a part of this Agreement. Notification of changes or new copies of these agreements and disclosures will be provided as required by applicable law.

**20. Severability.** If any provision of this Agreement shall be declared invalid, unenforceable or illegal, that part will not affect the validity, enforceability or legality of any other provision.

**21. Reopened Account.** Should your Account be closed at any time by withdrawal of the balance of the Account and later reopened by you, the re-opened Account shall be subject to all of the terms and conditions of this Agreement, whether or not any new Application is signed.

**22. Governing Law.** This Agreement shall be governed by the Federal Credit Union Act, the Rules and Regulations of the National Credit Union Administration, the Credit Union's Bylaws, and, solely to the extent

not preempted by federal law, the laws of the State of Texas, without regard to its conflicts of law's provisions. Legal venue is proper in Taylor County, Texas.

**23. WAIVER OF RIGHT TO JURY TRIAL.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, YOU AND THE CREDIT UNION KNOWINGLY AND CONCLUSIVELY WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY DISPUTE RELATING IN ANY WAY TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ALL CLAIMS ARISING OUT OF ANY LENDING RELATIONSHIP OR ACCOUNT THAT MAY BE AFFECTED BY THIS AGREEMENT.

**24. WAIVER OF CLASS ACT PARTICIPATION.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, YOU AND THE CREDIT UNION KNOWINGLY AND CONCLUSIVELY WAIVE ALL RIGHTS TO PARTICIPATE, EITHER AS A REPRESENTATIVE OR MEMBER OF A CLASS, IN ANY DISPUTE OR MATTER INSTITUTED AS A PURPORTED CLASS ACTION. YOU AND THE CREDIT UNION ALSO KNOWINGLY AND CONCLUSIVELY WAIVE THE RIGHT TO JOIN OR CONSOLIDATE DISPUTES BY OR AGAINST OTHERS AS A REPRESENTATIVE OR MEMBER OF A CLASS, TO ACT IN ANY LEGAL MATTER IN THE INTERESTS OF THE GENERAL PUBLIC, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.

**25. Credit Reports.** You authorize the Credit Union to obtain and verify your credit, employment history, and to request and use credit reports when considering any application to open an Account, obtain a loan or for any related financial services. **We may report information about your share and loan accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected on your credit report.** If you believe information we have reported or may report to a credit bureau is inaccurate or incomplete, you can dispute this in writing at:

Experian  
Dispute Department  
PO Box 4500  
Allen, TX 75013

Equifax  
PO Box 740256  
Atlanta, GA 30374-0256

TransUnion  
TransUnion Consumer Solution  
PO Box 2000  
Chester, PA 19016-2000

As part of your communication, include your name, address, contact telephone number, and identify the information you believe is incorrect. If your notification relates to an incident of identity theft, the credit bureaus may require a copy of your identity theft report filed with law enforcement authorities.

**26. Direct Disputes of Information Appearing in Credit Reports.** You may dispute directly to the Credit Union any information contained in a credit report that pertains to any account or other relationship we have or had with you. We will investigate any and all disputes if you notify us in writing at any address for us that appears in the credit report or at the following address:

Abilene Teachers Federal Credit Union  
Attn: Member Resolutions Department  
P.O. Box 5706  
Abilene, TX 79608

As part of your communication, include your name, address, contact telephone number, account number and identify the information you believe is incorrect. If your notification relates to an incident of identity theft, we may require a copy of your identity theft report filed with law enforcement authorities. You must include sufficient information for us to identify the account or other relationship in dispute. You must identify the specific information you are disputing and explain your basis for it. All supporting documentation or other information we may reasonably require to substantiate your dispute must be provided with your dispute. If you do not follow these requirements, we may decline to investigate your dispute or may request more information from you before starting the investigation.

**27. Assignment.** You may not assign your Account or this Agreement, or any of your rights under this Agreement, without our express written consent, which may be withheld in our sole and absolute discretion.

**28. Headings.** The titles and headings of the various sections of this Agreement are for the sole convenience of the parties to this Agreement and are not intended for any other purpose or to explain, modify, or place any construction on any of the provisions of this Agreement.

**29. No Waiver.** We do not waive any of our rights or remedies under this Agreement unless we agree to any such waiver in writing signed by us. If we delay or omit to enforce any of our rights or remedies under this Agreement, such delay or omission shall not function as a waiver of such rights or remedies or any other rights or remedies. A waiver on any occasion shall not prevent us from enforcing our rights and remedies on future occasions.

**30. Privacy and Security.** Protecting the privacy and security of your personal information is of utmost importance to the Credit Union. Our privacy and security practices are explained in our Privacy Policy. We will only disclose your personal information to nonaffiliated third parties:

- a. If necessary to carry out or complete transactions you have requested.
- b. On your written or verbal (during a three-way conference call) instructions.
- c. As otherwise permitted or required by law, such as in connection with court orders and subpoenas.

**31. Communications and Consent to Contact.** To ensure service quality, calls and other communications between you and the Credit Union may be monitored and recorded. Additionally, when you provide a telephone number and/or an email address to us, you represent and warrant that you are the subscriber, customary user, or owner of such telephone number or email address. When you provide your phone number and/or email address, you authorize us and/or our third-party debt collectors to contact you through those channels to service your accounts, collect amounts owed to the Credit Union and to provide general information, even if any telephone number we have on file may be on a state or federal do-not-call registry or similar list. We may contact you by voice, text messaging or email. Message and date rates may apply. Some of our systems may use an automated dialer or prerecorded voice to deliver messages. When you give your cell phone number to the Credit Union, you agree you have provided expressed consent that allows us to contact you via text and phone in order to successfully execute business with you. We may use text messaging to send out updates on important news, information on upcoming events, and special offers related to the Credit Union. If you are not interested in receiving text messages for executing business or receiving news and offers, you must notify us in writing to stop using text to contact you. When you provide your email address, you agree we may send email messages concerning member benefits available to you. You may opt out of email messages at any time by following the instructions in the latest email you received. You must promptly notify us if any telephone number or email address you have provided changes or if you transfer your telephone number to another person or release it to your phone company. You agree to indemnify, defend and hold the Credit Union harmless from any cost, fees, or expenses (including reasonable attorney fees) arising from your cell phone usage while in contact with an employee of the Credit Union. You agree to indemnify, defend, and hold the Credit Union harmless from any claim that the Credit Union did not have the right to contact an Account Owner when they provided their correct contact information to the Credit Union. You agree to indemnify, defend, and hold the Credit Union harmless from any communication sent to the

wrong address, email, phone call or text message if you do not update your contact information with the Credit Union after you change it.

**32. Cooperation in the Investigation of Claims of Unauthorized Activity.** If you submit a claim of unauthorized activity relating to your Account you concur that we may require the following actions on your part:

- a. Adequately describe your claim in writing in a signed affidavit, declared under penalty of perjury, or any other form that we provide.
- b. File a police report.
- c. Cooperate with us in all aspects of the investigation of your claim, including promptly completing and returning to us any documentation that we may require.

If you fail to fully cooperate with us in the investigation of your claim, we may terminate our investigation and revoke any provisional credit we have provided to you, subject to applicable law.

Abilene Teachers Federal Credit Union is owned and operated by and for its members. Membership is a lifetime benefit and is available to the residents, their family members, select employee groups, workers, students, and worshipers in select counties. Abilene Teachers Federal Credit Union is chartered in the State of Texas and is governed and federally insured by National Credit Union Administration (NCUA).

Abilene Teachers FCU  
PO Box 5706  
Abilene, TX 79608

[www.abileneteachersfcu.org](http://www.abileneteachersfcu.org)  
(325) 677-2274  
(800) 677-6770