

# Abilene Teachers Federal Credit Union Account Agreement

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 application in connection with the opening of any Account with Abilene Teachers Federal Credit Union, 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. The words “we”, “us”, “our”, and “Credit Union” mean Abilene Teachers Federal Credit Union.

In this Agreement and in the Truth-in-Savings Disclosures, the term “Savings Account” may be used to describe a Share Account with us, and the term “Checking Account” may be used to describe Share Draft accounts with us.

You authorize us to establish one or more Accounts for you and on your behalf designated in any Applications for Membership, or in any other Account Application you may execute with us or provide to us (the "Application"), including but not limited to Savings Accounts, Checking Accounts, and Certificate Accounts. By opening or using any such Account, you agree to be bound by the terms of this Agreement whether you are acting in your individual capacity, in a fiduciary capacity or in your capacity as an officer, agent, or representative of any business entity or organization with regard to any such Account. You also agree to be bound by our Truth-in-Savings Account Disclosures, as amended from time to time, and to conform to our rules, regulations, bylaws, and policies now in effect and as amended or adopted hereafter. In case of conflict between the terms of this Agreement and the Truth-In-Savings Account Disclosures, the terms appearing in the Truth-in-Savings Account Disclosures will control. The Truth-in-Savings Account Disclosures are incorporated into this Agreement. This Agreement is incorporated into and made a part of any application or other document which you execute in connection with the opening or the use of any Account. This Agreement supersedes any other Account Agreement you may have with us and, in the event of any conflict between the provisions of this Agreement and any other such Agreement, the terms and conditions set forth in this Agreement will control.

## Truth-In-Savings Disclosures

Truth-in-Savings Disclosures which apply to each of your Accounts, including any applicable dividend or interest rate, and the annual percentage yield on your Accounts, are set out in the Truth-in-Savings Account Disclosures and Rate and Fee Schedule which accompany this Account Agreement.

## Account Ownership

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, upon your death and without a Payable on Death (P.O.D.) designation, ownership of the Account passes as part of your estate under your will or by intestacy.
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.
  - a. The parties to the Account own the Account in proportion to the parties net contributions to the Account. All funds deposited into that Account, including any earnings thereon, shall be owned by you jointly, with all others who sign the Application, with right of survivorship. On the death of one party to such an Account, all sums in the Account on the date of the death vest in and belong to the surviving party or parties as his or her separate property and estate. Payment to any Owner shall be valid and discharge the Credit Union from any and all liability for such payments.

- b. The Credit Union may accept instructions from any Owner or act at the request of any Owner of any Joint or Multiple Party Account with Right of Survivorship without the joinder of any other Owner. Each Owner authorizes the other Owners to act on his/her behalf with respect to the Account, and to endorse any instrument payable to him/her for deposit to any such Account. Any Owner may pledge all of the shares in the Account to secure any indebtedness owing to the Credit Union or may designate the Account to provide overdraft protection for any other Account, subject to Credit Union policies, without the joinder of any other Joint Owner and without regard to his or her interest in the Account. In the event that any Account may be accessed by means of an Electronic Funds Transfer including the use of a VISA Debit Card issued in connection with the Account or any electronic or telephone access program, each Owner grants to every other Owner actual authority to initiate any such transfer, to use any such VISA Debit Card, or to use any Personal Identification Number issued in connection with any such electronic or telephone access program. 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 hold us harmless from any loss or liability in connection with any survivorship designation. You understand that you should consult with your attorney if you have any question regarding the validity, effectiveness, or fitness of a survivorship designation for any purpose.
  - c. A member opening a Joint or Multiple Party Account with Right of Survivorship may, without notice to any other Owner of such Account, and upon written notice to the Credit Union in such form as the Credit Union may require, remove any other Owner from any such Account, change the form of the Account, or stop or vary payment under the terms of the Account. Any such action by that member will terminate any interest that the removed Owner may have in such Account. The above notwithstanding, the Credit Union, at its option, may require that an Account be closed and a new Account opened in lieu of permitting a member to remove any other Owner, or the Credit Union may require the joinder and consent of any other Owner prior to acting upon any written notification or instruction to remove that Owner from an Account.
3. **POD (Payable on Death) Account.** A POD Account is an account payable on request to one or more persons during their lifetimes and upon the death of the last of those persons, payable to one or more POD payees named in the Application or any Signature Card executed in connection with the Account. You agree that the persons named as POD payees, whether one or more, are designated as POD payees. During your lifetime, all funds paid into or deposited into the Account designated, including any earnings thereon, shall be owned by you, and payment may be made upon your request, or the request of any party to the Account. Upon your death (the death of the last of you to survive), each POD payee agrees that all such funds shall be owned by the POD payees surviving, with right of survivorship. Payment may be made at the request of any surviving POD payee then living, and any payment made upon the request of any surviving POD payee discharges us from any and all liability to that POD payee and any remaining POD payees or their heirs, executors and personal representatives. You, your 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 funds deposited in the Account designated. A POD designation shall be ineffective with regard to an Account maintained as an Individual Retirement Account. The Credit Union makes no representation concerning the legal consequences or effectiveness of any POD designation, and you understand that you should consult with your attorney if you have a questions regarding the validity, effectiveness, or fitness of any such POD designation for any purpose.

4. **Accounts for Trusts.** At our option, we may issue shares or accept deposits in a revocable trust subject to such membership requirements as we may impose from time to time in keeping with applicable law. If you request that we open an Account in the name of a trust, you agree that we are authorized to release the funds in any such Account upon the signature of any Trustee. You agree that 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 us from any liability for the sums paid. You agree that we shall have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations set forth in this Agreement, and that we shall serve solely as a depository for the trust funds. You and any Trustee agree to save, indemnify, defend and hold us 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 and any Account established for the trust.
5. **Uniform Transfer to Minors Act Account.** If you have indicated on your Membership Application, Account Authorization or Signature Card that an Account is established under the Texas Uniform Transfer to Minors Act (TUTMA), the party signing any such Application, Authorization or Signature Card shall be a custodian, and the Account will be established by such custodian under the Texas Uniform Transfers to Minors Act for the benefit of the minor named. 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, or (d) to oversee the application by a custodian of money or other property paid or delivered to the custodian.
6. **Account for Guardianships and Estates.** At our option we may issue shares and accept deposits in the name of (a) a ward on whose behalf a Guardianship has been established under applicable law, or (b) the estate of a deceased member being administered under applicable law. Any guardian or estate representative (whether executor, administrator or otherwise) 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 that we will have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations otherwise set forth in this Agreement and you agree that we will not be liable for any loss occasioned by the fraud, negligence, or misapplication of funds by the guardian or estate representative. If we are presented with Letters of Guardianship, Letters Testamentary or Letters of Administration valid on their face, you agree that we will have no further duty to (a) determine if the person appointed guardian or estate representative has qualified or continues to be qualified as guardian or as estate representative; (b) determine if an act of the guardian or estate representative is in accordance with or authorized by the Texas Probate Code or other applicable law, (c) question the validity or propriety of any instrument or any instructions executed or given by a person acting as a guardian or estate representative, or (d) oversee the administration by a guardian or estate representative of money or other property paid or delivered to him or her. You agree that we may rely upon Letters of Guardianship, Letters Testamentary or Letters of Administration which are valid upon presentment, that we may continue to rely upon the same without inquiring into their expiration or renewal, and that we may assume their renewal unless notified to the contrary. Further, you agree 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

Probate 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 of a ward or an estate until we receive renewed Letters or other order issuing out of a Court of competent jurisdiction.

7. **Organization or Association Account.** At our option, we may open an Account, issue shares and accept deposits by or in the name of an organization or association upon such terms and conditions, and upon such membership requirements, as we may establish from time to time. In the event that we permit the opening of such an Account, you agree to provide us with such documentation as we may require. You agree that we may rely upon the signature of any person authorized to transact business on behalf of any such organization or association and that any such authorization shall continue in effect until we receive and give written acknowledgment of the receipt of written revocation thereof. 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 organization or association.

## Checks and Withdrawals

1. **Payment Authorization.** You authorize us to pay checks signed by you and charge the payments against the applicable Account. Only checks or other methods approved by us may be used to withdraw funds from your Account. In the event that the applicable Account has sufficient funds on deposit to cover one or more, but not all of the checks or other withdrawal orders presented during any given business day, we may honor those items and allow those withdrawals in any order that we may choose in our sole discretion including withdrawal orders or checks payable to the Credit Union and dishonor or refuse any item or withdrawal order for which there are insufficient funds available thereafter. In making distributions upon the death or disability of any party, you agree that we may rely upon the form of the Account at the time of any such death or disability.
2. **Stale Items.** We are under no obligation to pay a check which is presented for payment more than six months from its date.
3. **Overdraft and Overdraft Protection.** You agree to maintain funds in your Accounts at all times sufficient to pay any withdrawal order or item presented for payment against the applicable Account. We are under no obligation to pay any order or item, the amount of which exceeds the balance of the Account upon which that item was drawn. In the event that we do pay any such order or item, we will not waive our right to dishonor any subsequent orders or items presented. If we do pay an order or item, the amount of which exceeds the balance in the applicable Account, or if any item deposited to your Account is subsequently returned and charged back to your Account creating an overdraft, you agree to pay us immediately the amount by which that Account is overdrawn together with any fees which we might assess. You also authorize us to deduct any overdraft from your next deposit, to withhold amounts from any other Accounts sufficient to cover any overdraft, or to use any other collection remedy available to us by law. In the event that you write a check or take any other action which would result in an Account becoming overdrawn, and if you have requested and been approved for automatic overdraft protection, 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 we deem sufficient to pay such check or otherwise remedy the overdraft, together with any service charge we may impose. A fee may be charged for overdraft protection as set forth in the Truth in Savings Disclosure. If sufficient funds are not available for an item, then any such item presented will be returned to the payee due to insufficient funds and a charge will be made to your Account in such amounts as we may

establish from time to time. Each party to any of your Accounts will be jointly and severally liable for overdrafts caused by any other party or parties to such Account.

4. **Signatures.** You authorize us to recognize any of the signatures set forth on the Application in the payment of funds or the transaction of any business for your Accounts. You authorize us to pay a check presented for payment even though the signature or signatures thereon do not correspond exactly with the signatures on the Application. We are not obligated to honor a check unless the signature or signatures do correspond exactly with the signatures on the Application. We may recognize facsimile signatures, signatures imprinted by mechanical devices or any authentication, including orders to pay that are received electronically or telephonically. We may accept and pay drafts which are submitted by third parties to whom you have given or otherwise disclosed your Account number. You agree that we may deny any party the right to withdraw funds from any Account unless we are presented with identification which we deem acceptable.
5. **Postdated, Incomplete and Conditional Items.** You agree to hold us harmless from any and all loss and liability which we may incur due to our inadvertent payment of incomplete or postdated items, items endorsed 'without recourse' or conditional items. You agree that we will not have any duty to discover or comply with postdated, incomplete or conditional items. You agree that we may disregard any information on any check or draft other than the amount of the item, any magnetic encoded information and the signature of the drawer. You agree that we may decline to accept, process or pay any item or order which, in our estimation, is ambiguous or otherwise unclear in its terms. You also agree that, at our option, we may use our best efforts to resolve any such ambiguity and you agree to release and hold us harmless from any and all loss and liability which may incur, or which may arise in connection with our attempts to resolve any such ambiguity.
6. **Wire Transfers, Automated Clearing House (ACH) and Other Payment Order Transactions.**
  - a. **Governing 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 Automated Clearing House (ACH) entry, you acknowledge and agree that any such entry will be governed by the National Automated Clearing House Association (NACHA) Operating Rules, 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 Article 4A of the Texas Business and Commerce Code.
  - b. **Notification.** Under NACHA Rules we are not required to give you next day notice of the receipt of a wire transfer or ACH entry and we will not do so. However, we will notify you in your Account Statement.
  - c. **Provisional and Final Payment.** If we credit your Account for an ACH entry or 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 a refund of the amount credited and you agree that, at our option, we may reverse the credit or require that you reimburse us by way of direct payment.
  - d. **Identifying Account Numbers.** You agree that we can rely upon any identifying or Account number given to us in connection with any ACH or wire transfer, even if the number identifies a person different than the named beneficiary, or a financial institution different from the named financial institution. You agree that neither we 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.

- e. **Interest Payable.** Any rate of interest that 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.
  - f. **Security Procedures.** You agree that 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, signature verification, call back procedures, the use of identifying words or numbers and identification via employee ID badge, valid driver's license, or other photo identification document.
  - g. **Cutoff Times.** Transfers, payments orders and communications canceling or amending payment orders which are received after 2:00 p.m. on each weekday we are open which is not a holiday may be treated as having been received on the next banking day and processed accordingly.
  - h. **General.** You agree that only our forms, methods, and procedures may be utilized. You also agree that in the event of an error, we may correct any such error without prior approval by you. Any authorization you make to initiate paperless debit or credit entries will remain in effect until we receive written notice from you that your authorization has been revoked, in a manner and in time to provide us with a reasonable opportunity to act on it.
7. **Stop Payment.** You may stop payment of items drawn on your Accounts. You agree to hold us harmless from any claim, loss, damage or expense which we may suffer or incur, including attorney's fees, by virtue of our refusing payment of any item on which you have stopped payment, as well as for payment of any items after your stop payment order has expired. A stop payment order will be effective for six months and may be renewed upon a request made in writing to us. A stop payment order, a renewal of any such order, or a revocation of any such order shall not be effective unless it is delivered to us in writing during regular business hours, to one of our officers at the office where your Accounts are located. Further, a stop payment order, renewal or revocation shall not be effective until we have had a reasonable opportunity to act on any such order, renewal or revocation. In addition, we will not be liable for the payment of an item over a stop payment order if the order is received after ten (10) a.m. on the next banking day after the banking day on which we received the item. A stop payment order must state the precise amount, date, check number, name of payee and any other information that we may reasonably require. If that information is not provided, we will not be responsible if we are unable to stop payment. If the order is made orally, we have no obligation to honor it. If we do honor an oral stop payment order, it will only be binding for twenty-four (24) hours after which it must be renewed in writing. Any stop payment order, renewal or revocation will incur a charge which is set forth in the Truth in Savings Disclosures. You agree that we may honor a stop payment order, revocation or renewal if made by the person who signed the check to be stopped or any other person who has signed the Application or is otherwise authorized to transact business relating to the Account. You agree that we will not be liable for any inadvertent 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. 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 any loss you suffer as a result. You agree, however, that it will be your responsibility to establish any such loss. You agree that we will never be liable for more than your actual loss and that 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 will take whatever action we deem necessary to transfer to us all of your rights against the payee or holder of the item and to assist us if we take legal action against the payee or any other person. You may not

stop payment of certified, cashier's or tellers' checks. For information concerning your right to stop payment of pre-authorized electronic fund transfers, please refer to our Electronic Fund Transfers Disclosures.

8. **Credit Union Liability.** Except for losses caused by our failure to exercise ordinary care or our failure to act in good faith, you agree that 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 in satisfaction of overdrafts.

## Electronic Fund Transfers. Your Rights and Responsibilities.

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

1. **Electronic Funds Transfers Initiated by Third Parties.** You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payments may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check or draft to an electronic fund transfer or to electronically pay a returned check or draft charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt.) In all cases, these third-party transfers will require you to provide the third party with your account number and credit union information. This information can be found on your check or draft as well as on a deposit or withdrawal slip. Thus, you should only provide your credit union and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:
  - a. **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your checking (share draft) or savings (share) account(s).
  - b. **Preauthorized Payments.** You may make arrangements to pay certain recurring bills from your checking (share draft) account(s).
  - c. **Electronic check or draft conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking or share draft account using information from your check or draft to pay for purchases or pay bills.
  - d. **Electronic returned check or draft charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check or draft is returned for insufficient funds.
2. **Abby Phone Teller Transfers.** You may access your account by telephone twenty-four hours a day at the phone numbers 325-676-4636 or 888-351-4636. Use your personal identification number, any type of phone, and your member number to:
  - a. Transfer funds between checking (share draft) and savings (share) account(s)
  - b. Make payments from checking (share draft) or savings (share) to loan accounts with us
  - c. Get information about:
    - i. The account balance of checking (share draft) or savings (share) accounts
    - ii. Deposits to checking (share draft) or savings (share) accounts
    - iii. Withdrawals from checking (share draft) or savings (share) accounts

3. **ATM Transfers; Types of Transfers and Dollar Limitations.** You may access your account(s) by ATM using your Debit Card and personal identification number, to:
  - a. Get cash withdrawals from checking (share draft) account(s) with a debit card.
  - b. You may withdraw no more than \$500 per day.
  - c. If you use an ATM not owned by us or operated by the CO-OP Network, you may be charged a fee by the ATM operator. At this type machine you may be charged a fee for a balance inquiry even if you do not complete a fund transfer.

#### Types of Card Point of Sale Transactions

You may access your checking (share draft) account(s) to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

#### Currency Conversion and International Transactions

When you use your Visa debit card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction or posting date.

Visa USA charges us a .8% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, the International Service Assessment is 1% of the transaction. In either case, we pass this international transaction fee on to you. An international transaction is a transaction where the country of the merchant is outside the USA.

Advisory Against Illegal Use. You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

#### Online Banking Transfers – Types of Transfers

You may access your account(s) by computer through the internet by logging onto our website at: [www.abileneteachersfcu.org](http://www.abileneteachersfcu.org) and using your username and password to:

1. Transfer funds between checking (share draft) and savings (share) account(s)
2. Transfer funds from your checking (share draft) or savings (share) account(s) to another member's account
3. Make payments from checking (share draft) or savings (share) to loan account(s) with us
4. Make payments from checking (share draft) to third parties (Bill Pay)
5. Get information about:
  - a. The account balance of checking (share draft) or saving (share) account(s)
  - b. Deposits to checking (share draft) or savings (share) account(s)
  - c. Withdrawals from checking (share draft) or savings (share) account(s)

#### Mobile Banking Transfers – Types of Transfers

With mobile banking, you may access your accounts through the browser on your mobile device at [www.abileneteachersfcu.org](http://www.abileneteachersfcu.org) or through our Apple or Droid smart phone apps. On standard cell phones, you

will use your username and password to logon. If using an ATFCU app, you can use either username and password, or biometric identity verification to logon. Once logged on, you can:

1. Transfer funds between checking (share draft) and savings (share) account(s)
2. Transfer funds from your checking (share draft) or savings (share) account(s) to another member's account
3. Make payments from checking (share draft) or savings (share) to loan account(s) with us
4. Make payments from checking (share draft) to third parties through our bill payment system

### Fees per Transfer

We will not charge you a fee for transfers you make using our telephone bill payment service or a point of sale transfer service. We do not currently offer transfers at our automated teller machines. Should we add that service in the future, there will be no fee associated with transfers made on those machines.

### Documentation

You can get a receipt at the time you make any transfer to or from your account using a point of sale terminal. We do not currently offer transfers at our automated teller machines. Should we add that service in the future, receipts will be available at those machines as well.

### Financial Institution's Liability

#### Liability for Failure to Make Transfers.

If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. In you have an overdraft line and the transfer would go over the credit limit.
3. If the automated teller machine where you are making the transfer does not have enough cash.
4. If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
5. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions we have taken.
6. There may be other exceptions stated in our agreement with you.

### Confidentiality

We will disclose information to third parties about your account or the transfers you make:

1. Where it is necessary for completing transfers; or
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. In order to comply with a government agency or court orders; or
4. As explained in the separate Privacy Disclosure.

### Unauthorized Transfers

- a) Consumer liability. General practice. Tell us at once if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check or draft. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you

tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do not tell us within two business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

**Additional Limit on Liability for VISA debit card.** Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Visa Debit Card. This additional limit on liability does not apply to ATM transactions or to transactions using your Personal Identification Number which are not processed by VISA.

- b) **Contact in event of unauthorized transfer.** If you believe your card and/or code has been lost or stolen call or write us at the telephone number or address listed in this brochure. You should also call the number or write to the address listed in this brochure if you believe a transfer has been made using the information from your check or draft without your permission.

## Error Resolution Notice

In case of errors or questions about your electronic transfers, call or write us at the telephone number or address listed in this brochure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint in writing within ten business days.

We will determine whether an error occurred within 10 business days (5 business days for Visa Debit Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for Visa Debit Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

Abilene Teachers Federal Credit Union  
Accounting Department  
P.O. Box 5706  
Abilene, TX 79608  
Business Days: Monday through Friday, Excluding Federal Holidays  
Phone: 325-677-2274 or 800-677-6770  
More Detailed Information is Available Upon Request

## Deposit of Items

- 1. Handling of Items.** We act only as a collecting agent for any items deposited. Any deposit that 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 is actually received. 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 our personnel. We will not be responsible for any deposit or other transaction during the course of delivery to us by any courier or other third party until the item or items are actually received by our personnel. We have the right to endorse all checks payable to you for deposit into your Account. We will not be liable for the negligence of any correspondent bank or institution nor for any loss incurred in transit when items are forwarded to correspondents. We will not be liable for any delay as a result of any interruption of communication facilities or any other circumstances beyond our control. You agree to bear the risk of any change in the exchange rate with respect to any items which may be payable in foreign currency. You agree that we may charge back any item before payment, whether the item has been returned or not. You agree that, if a check that has been deposited to your Account or cashed by you at the Credit Union is subsequently returned based upon a breach or an alleged breach of any transfer warranty, presentment warranty or otherwise, the Credit Union may charge back the amount of any such item to your Account at any time without notice. You also agree that, if we are charged a fee by any other institution in connection with any of your Accounts, that fee expense may be charged to your Account.
- 2. Endorsement Standards.** You agree that you will not place an endorsement, other writing, or marking on a check or other negotiable demand draft in the area reserved for our endorsement as prescribed in Federal Reserve Board Regulation CC, including Appendix D thereto. You understand that the trailing edge of a check is defined as the left side of the check looking at it from the front and that the area on the back of a check from the trailing edge to 1.5 inches from the trailing edge is reserved for the payee's endorsement. You agree to hold us harmless from any loss or liability, including consequential damages, attorney's fees and expenses arising in connection with your failure to adhere to our endorsement standards and those of Regulation CC, including, but not limited to, any loss or liability resulting from improper encoding or a delay in forwarding or returning a check caused by an endorsement that is not readable or some other condition on the back of the check caused by you, which adversely affects the ability of a financial institution to endorse the check legibly in accordance with regulation CC.

3. **Right to Refuse Deposit.** If you request that we accept a check for a deposit 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, however, you agree to hold us harmless from any loss or liability, including consequential damages, attorneys' fees, and expenses which may arise because of our acceptance of the item. In any event, in our discretion, we may refuse any deposit, limit the amount which may be deposited, accept all or part of any deposit, or close the Account subject to applicable regulations.
4. **Deposit Verification.** If you make a deposit and we subsequently determine that the amount of the deposit initially credited was incorrect, we may correct any such error and make corresponding adjustments to your Account in order to reflect the correction.

## Funds Availability Policy

### Ability to Withdraw Funds

It is the general policy of Abilene Teachers Federal Credit Union (ATFCU) to make funds from a member's cash, electronic direct deposits, and most checks available on the same business day the credit union receives the deposit. Once funds are available, a member can withdraw the funds in cash or we will use the funds to pay checks and/or clear debits. See details below about when the funds from different types of deposits can be used.

### Determining When a Deposit is Received

For determining the availability of deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. We will consider a deposit as being made on a business day if it is made in person to one of our employees. Deposits made at one of our night depositories will be considered deposited on the next business day.

### Same-Day Availability

The Credit Union offers same-day availability for the following funds deposited in person at teller stations:

- Depository Checks, i.e., Travelers Checks, cashier's checks, certified checks and money orders.
- On-Us Checks, i.e., checks drawn against accounts of Abilene Teachers Federal Credit Union.
- Drafts Covered by Member's Account, i.e. situations where the member's account balance exceeds the amount of the draft.

### Standard Holds

- In general, for check deposits, unless otherwise stated in this policy, \$225 of a check deposit will be available the next business day after the date of deposit. The Credit Union is not required to make the \$225 available if cash back of this amount was granted or the amount was applied to a negative balance at the time of deposit.
- The Credit Union may impose second day availability (second business day following the deposit of funds) on deposits that are not made in person, for example, a deposit made utilizing remote deposit capture; an Automated Teller Machine (ATM), or received in the mail.

### Reservation of the Right to Hold

In some cases, we may not make all funds that a member deposits by check available on the same business day as the day of deposit. Depending upon the circumstances, funds may be held for three, seven, or ten business days after the date of deposit. However, the first \$225 of a member's deposit will be available on the first business day after the date of deposit (see example below). If we are not going to make all of the funds from a deposit available on the date of deposit, we will notify the member at the time the deposit is made. If a

deposit is not made directly to one of our employees, or if we decide to take this action after the member has left the premises, we will mail the hold notice by the next business day after the date of deposit.

#### Example – Holds on Checks \$225 and Over

In the instance that a hold is placed on a check or a deposit of checks, the first \$225 of the deposit will be available on the next business day after we receive the deposit. The remaining amount will be available for withdrawal the third business day following the date of deposit. For example, if a \$1,000 check is deposited on Monday, \$225 of the deposit is available on Tuesday. The remaining \$775 is available on Thursday unless the reasons mentioned below apply.

#### Longer Delays May Apply

The availability of funds that are deposited by check may be delayed for a longer period for the following reasons:

- We believe a check deposited will not be paid;
- The checks total more than \$5,525 on any one day;
- A member redeposits a check that has been returned unpaid;
- A member has overdrawn his/her account repeatedly within the previous six months
- The deposit is made by a new member whose account has been open less than 30 days
- There is an emergency such as a natural disaster or failure of communications/computer equipment.

When a longer delay of funds is determined, we will notify a member if his/her ability to withdraw funds is delayed by us for any of these reasons, and will provide the required hold notice stating when the funds will be available.

#### Notice of Hold Requirement and Timeline

The Credit Union must provide a Hard Notice to the member at the time of the deposit. The Notice must provide:

- A statement that the Credit Union is holding the funds.
- The account number.
- The date of the deposit.
- The amount of the deposit that is being delayed
- The date when the funds will be available for withdrawal.
- How to obtain a refund of returned check fees or overdraft fees if the notice is not given at the time of deposit and the check is paid.

If the notice is not provided at the time of deposit, now overdraft fees may be assessed if the overdraft would not have occurred except for the delay of funds availability and the check was paid. Overdraft fees may be assessed if the Credit Union provides notice of such fees at the time the notice of delayed funds is given and is willing to refund such fees upon request by the member.

#### Special Rules for New Accounts

The following special rules will apply during the first 30 days that a member's account is open:

- Funds from electronic direct deposits to the account will be available on the day we receive the deposit.
- Funds from deposits of cash, wire transfers, cashiers, certified, teller's, travelers, and federal, state, and local government checks will be available on the first business day after the date of deposit.

- Funds from all other check deposits will generally be available on the seventh business day after the day of deposit. ATFCU reserves the right to place a longer hold, not to exceed thirty days, on all personal checks on new accounts.

### Mobile Check Deposit

ATFCU has implemented mobile check deposit as a service to our qualifying members. Once approved, members who elect to use mobile check deposit will be able to scan checks from their mobile devices and electronically send their images to ATFCU for deposit.

For purposes of funds availability, Mobile Deposits are considered deposited at a branch of Abilene Teachers FCU. Mobile Deposits confirmed as received before close of business on a business day will be credited to your account within 24 hours of receipt. For mobile check deposits, the close of business is defined as 4:00 PM Central Time. Deposits confirmed received after close of business, and deposits confirmed received on holidays or days that are not business days will be credited to your account within 24 hours of the following business day.

Checks deposited using the mobile check deposit service are subject to the same hold requirements detailed earlier in this policy. Please refer to the Mobile Remote Deposit Services Agreement for further details.

### General Provisions

1. **Taxpayer Identification Number and Backup Withholding.** The Internal Revenue Service (IRS) requires most recipients of dividend, interest, or other payments to give taxpayer identification numbers to credit unions and other payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes. Credit unions and other payers must be given the numbers whether or not recipients are required to file tax returns. Credit unions and other payers must generally withhold 31% of taxable interest, dividends, and certain other payments to a payee who does not furnish a taxpayer identification number. Certain penalties may also apply. In the event that (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 or (b) you provide us with an incorrect taxpayer identification number, the Credit Union is required to withhold payment, in part, of dividends or interest owing to you in amounts determined by the IRS and to pay interest or dividends withheld to the IRS.
2. **Document Imaging.** You acknowledge and agree that the Credit Union, at its option, may choose to create and retain electronic copies of your original Account records and any other records, and thereafter dispose of the originals. You further agree that electronically scanned or stored images of your Account records will have the same effect as the original records.
3. **Inactive Accounts.** We are required by law to preserve an Account that is inactive. An Account is inactive if for more than one year there has not been a debit or credit to the Account because of an act by you or your agent (other than us) and you have not communicated with us. An 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 or your last correspondence with us, and (b) we are unable to locate you. If an Account is presumed abandoned, we are required to report the abandonment and to pay the funds in the Account to the State.
4. **Account Statements.** You are responsible for promptly examining each Account Statement. Any objection that you may have respecting any item or deposit shown on or missing from a statement will be waived unless made in writing to us, and received on or before the 35<sup>th</sup> day following the date the statement is mailed, subject to applicable law. You agree that we will not be liable for any forged,

unauthorized or altered item drawn on or deposited to your Account, 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 that 35-day period, nor will we be liable for any forged or altered item if the forgery or alteration is not readily ascertainable upon inspection. Unless we adopt alternative procedures from time to time, checks drawn on your Account will not be returned to you and copies of checks will be made available to you upon your request according to the charges set forth on the Truth in Savings Disclosures. That notwithstanding, you agree that your duty to examine statements promptly, and your obligation to notify us in the event of any error is not waived or diminished in any respect by our retention of checks drawn on your Account. You acknowledge that we employ an automated collection procedure in order to more efficiently handle the high volume of items we process. For that reason, our procedures generally do not include the examination of items. You acknowledge and agree that reasonable commercial standards do not require us to examine any check presented and that any such failure to examine shall not constitute a lack of ordinary care in the payment of any item.

5. **Legal Process.** You agree that we may debit your Account for charges and costs in connection with negotiations, responses, appearances, and the production of statements, items or other documents in connection with subpoenas, court orders, levies, garnishments or other instruments of legal process, including attorney's fees, to the extent not otherwise prohibited by law.
6. **Contractual Lien.** In addition to any 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 to the extent of any loans made to you and any other obligation of yours which you owe to us, which lien secures repayment of any such loan or obligation to the extent not prohibited under the Federal Truth-in-Lending Act. You are not giving a security interest in any shares or deposits in an IRA, SEP, Keogh or any other Account, which, if pledged, would result in the loss of special tax treatment under the Internal Revenue Code. You agree that, if any such Account is a Joint or Multiple Party Account, the entire amount in such Account shall be subject to our lien and shall secure the indebtedness of each party to the Account owing to us. You agree that we may exercise our lien and apply the entire amount in any such Account against the indebtedness of any party to the Account, and without notice. You agree to hold us from, and to pay any expenses and costs, including attorneys fees, which we may incur in enforcing our right to exercise our lien against the indebtedness of any one or more parties and you agree that we will not be liable for dishonoring checks or other items where the exercise of our lien or any right of offset which may exist results in there being insufficient funds in the Account to honor such items. If we elect not to enforce our lien at any time, we do not waive our right to enforce that lien on subsequent occasions. The lien secures all direct and indirect indebtedness which you may owe to us whether as a borrower, co-maker, guarantor or otherwise. You agree that, with regard to any indebtedness owing to us secured by your principal residence, our lien shall not be construed so as to diminish or forfeit any lien or indebtedness secured by such residence, nor 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.
7. **Dispute Resolution.** If we suspect that fraudulent misconduct is or has taken place with respect to any Account, or if we are notified that a party to an Account has died or is incompetent to manage his or her affairs, or if we have been notified that a dispute exists between or among parties to the Account or third parties with regard to their respective interests in the Account, or if there are competing claims to funds on deposit, or if we are in doubt concerning the respective interests of any parties to an Account, we may restrict withdrawals from the Account until we are satisfied that any obligation we may have at law and under this agreement has been met or until any such dispute, doubt, suspected

fraudulent misconduct or probate matter has been resolved by a court of competent jurisdiction or by written settlement agreement entered into by all parties to the Account and any third-party making claim to funds in any such Account. You agree, further, that we may recover any attorney's fees or costs expended in connection with the foregoing, which fees will be payable by you directly, or out of the Account made the subject of any such doubt, dispute, misconduct or probate proceeding, or any other Account in which you have an interest.

8. **Power of Attorney.** You agree that we shall be under no obligation to recognize and honor any power of attorney which authorizes someone to deal with your Account on your behalf.
9. **Withdrawal of Service.** In the event that any Credit Union member causes a loss to the Credit Union, or makes known his or her intention to cause a loss to the Credit Union, whether by way of loan default, Account overdraft, or otherwise, or in the event that any Credit Union member has been abusive in the conduct of his or her affairs with the Credit Union, it is the policy of the Credit Union to withdraw member services otherwise extended to that member including but not limited to the right to maintain Accounts and the right to payment of dividends and interest, and you agree that we may do so. Your credit union membership may be terminated if you cause us a loss.
10. **Closing the Account.** Any party to an Account may close the Account at any time; provided, however, that no Joint Owner may close the Share Savings Account of a member or reduce the balance of any such Account below the par value of one share. Your right to close an Account is subject to any statutory or contractual lien existing in the Credit Union's favor and any legal process levied against any such Account. 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 in any manner it deems appropriate if:
  - a. Any of the events set forth in the preceding paragraph nine (9) 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 has been abusive in the use of the Account or in the conduct of his/her affairs with the Credit Union or
  - d. there has been a change in Account ownership or a change with regard to the persons authorized to sign on the Account.

Further, in the event that any credit union member has been abusive in the conduct of his or her affairs with the Credit Union, the Credit Union may impose sanctions against that member including, but not limited to, the denial of Credit Union services, denial of specific services which involve personal contact with Credit Union employees, denial of access to Credit Union facilities, a recommendation of expulsion from Credit Union membership, or any other action deemed necessary under the circumstances which is not expressly precluded by the Federal Credit Union Act, the Rules and Regulations of the National Credit Union Administration, and the Credit Union's bylaws,

11. **Bylaw Requirements.** An applicant eligible for membership may be admitted to membership under the procedures set forth in our Bylaws, and the applicant shall become a member and be entitled to the rights and privileges of a member. A member who fails to complete payment of one share within six months of his admission to membership, or within six months from the increase in the par value in shares, or a member who reduces his share balance below the par value of one share and has not increased the balance to at least the par value of one share within six months of the reduction, may be terminated from membership at the end of a dividend period. The credit union reserves the right, at any time, to require members to give, in writing, not more than sixty days' notice of intention to withdraw the whole or any part of the amounts so paid in by them.
12. **Death or Incompetence of Account Owner.** We may continue to accept deposits to an Account, to pay items drawn against an Account, to pay other payment orders against an Account and allow any other

transactions with respect to an Account until we are notified of an Account owner's death or of an adjudication of incompetence, and we have a reasonable opportunity to act upon any such notice. Subject to our policies and procedures, and subject to any separate agreement we may enter into with any surviving Account holder, once we are notified of a member's death or adjudicated incompetence, we may pay items drawn against the Account or other payment orders authorized by the deceased Account owner for a period of ten days after the Account owner's death unless we are ordered to stop payment by a person claiming an interest in the Account. We may require any person claiming an interest in the Account to indemnify us against any losses arising out of the payment of any such claim, and 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 joint owner is a member of the Credit Union, we may require that the Account be closed and reopened in the name of that surviving Joint Owner.

13. **Attorneys Fees.** In addition to any other rights we may have at law or under this Agreement to recover fees and costs in connection with this Agreement or any Account, in the event that we file suit to enforce this Agreement or any right we may have in any Account, we shall be entitled to recover reasonable attorneys fees and costs expended in connection with any such legal proceeding. In any event, we shall be entitled to recover attorneys' fees and costs incurred in connection with the enforcement of this Agreement, regardless of whether we elect to bring suit for that purpose.
14. **Amendment.** You agree that we may amend this Agreement, the Truth-in-Savings Account Disclosures, the Rate Schedule and the Fee Schedule, and any notice, agreement or policy made a part of this Agreement, from time to time in our sole discretion, subject to applicable law.
15. **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.
16. **Reopened Account.** Should your Account be closed at any time or times by withdrawal of the balance of the Account, and later reopened by you, such re-opened Account shall be subject to all of the terms and conditions of this Agreement, whether or not any new signature card or other Account Agreement is signed.
17. **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. Venue is proper in Taylor County, Texas.
18. **Credit Reports.** You agree and authorize us to check your credit and employment history and to request and use credit reports when considering any Application to open an Account or any application for related financial services.