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Revised 10/2010

I. MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement covers the rights and responsibilities concerning your accounts and the rights and responsibilities of the credit union providing this Agreement (credit union). In this Agreement, the words "you" and "yours" mean anyone who signs and Account Card or Account Change Card (Account Card or any other account opening document). The words "we", "us", and "our" mean the credit union.

Your account type(s) and ownership features are designated on your Account Card. By signing an Account Card, each of you, jointly and severally, agree to the terms and conditions in this Agreement and Account Card, the Funds Availability Policy Disclosure, Truth-in-Savings Disclosure, Electronic Funds Transfer Agreement and Disclosure, Privacy Notice Disclosure and any Account Receipt accompanying this Agreement, and the credit union's bylaws and policies, and any amendments to these documents from time to time which collectively govern your membership and accounts.

- 1. MEMBERSHIP ELIGIBILITY** – To join the credit union you must meet the membership requirements including purchase and maintenance of the minimum required share(s) ("membership share") as set forth in the credit Union's bylaws. You authorize us to check your account, credit, and employment history, and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request.
- 2. SINGLE PARTY ACCOUNTS** – An account payable to one party, the owner, (which includes natural persons, corporations, partnerships, trusts established other than by the form of the account, unincorporated associations, and other organizations) qualified for credit union membership. If the owner dies, the account is payable to POD beneficiary(ies) if so named, or as a part of the owner's estate under his or her will or by the applicable laws of intestacy. Payment of the account is subject to other provisions of this Agreement protecting the credit union for honoring transfer and withdrawal requests by the owner or by the owner's agent prior to notice of the owner's death and to our statutory lien for the owner's obligations and to any security interest or pledge granted by the owner.
- 3. JOINT MULTIPLE PARTY ACCOUNTS** – A joint account is an account payable to any one or two or more parties, the owners. During life, the owners of a joint multiple party account own the account in proportion to their net contributions to the account. The owners of a joint multiple party account are presumed to own the account in equal undivided interests unless there is satisfactory proof of the parties' net contributions to the account. The owners' net contributions to a joint multiple party account are calculated in accordance to Sec. 125.104(b) of the Texas Finance Code and Sec. 436(6) of the Texas Probate Code, as amended from time to time.
 - a. Rights of Survivorship.** For joint multiple party accounts with rights of survivorship, on the death of one party, all sums in the account on the date of the death vest in and belong to the surviving party as his or her separate property and estate. This means when one owner dies, ownership of the account passes to the surviving owner(s). If there are two or more surviving owners, their respective ownerships during lifetime shall be in proportion to their previous net contributions to the account increased by an equal share for each survivor of any interest the decedent may have owned in the account immediately before his or her death. The rights of survivorship in the account continue until only one owner remains surviving. For a joint multiple party account without rights of survivorship, when one owner dies, the deceased owner's interest in the account passes as part of the deceased owner's estate under his or her will or by the applicable laws of intestacy. Payment of the account is subject to other provisions of this Agreement protecting the credit union for honoring transfer and withdrawal requests of an owner or by an owner's agent prior to notice of an owner's death and to our statutory lien for the owner's obligations and to any security interest or pledge granted by the owner.
 - b. Control of Joint Multiple Party Accounts.** Any owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature of any other owner(s). Any owner may withdraw all funds, stop payment on items, transfer, or pledge to us all or any part of the shares without the consent of the other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account. However, subject to a policy adopted by the credit union's board of directors, a member by written notice to us may change any joint owner designated on the account or remove any such joint owner, change the form of the account, or stop or vary payment under the terms of the account. If we receive written notice of a dispute

us to supply missing endorsements of any owners if we choose. If a check, draft or item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft or item as though it is payable to either person. If an insurance, government, or other check or draft requires an endorsement, we may require endorsement as set forth on the item. Endorsements must be made on the back of the share draft or check within 1½ inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility.

- b. Collection of Items.** We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits.
- c. Restrictive Legends.** Some checks and drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends include “two signatures required”, “void after 60 days” or “not valid of \$500.” We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation contained in or on the item unless we have specifically agreed in writing to the restrictions or limitations.
- d. Final Payment.** All items or Automated Clearing House (ACH) transfers credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such items or ACH transfers and impose a return item charge on your account. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or funds transfer.
- e. Direct Deposits.** We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize direct deposits or preauthorized transfers by filling out a separate form. You must notify us at least thirty (30) days in advance to cancel or change a direct deposit or transfer option. If your account is overdrawn, you authorize us to deduct the amount your account is overdrawn from any deposit, including deposits of government payments or benefits. Upon a bankruptcy filing, unless you cancel the authorization, we will continue applying payments from direct deposits in accordance with your authorization on file with us. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.
- f. Crediting of Deposits.** Deposits made after the deposit cut-off time and deposits made on either holidays or days that are not our business days will be credited to your account on the next business day.

9. ACCOUNT ACCESS –

- a. Authorized Signature.** Your signature on the Account Card authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any check or draft that appears to bear your facsimile signature even if it was made by an unauthorized person. You authorize us to honor transactions initiated by a third person to whom you have given your account number even if you do not authorize a particular transaction.
- b. Access Options.** You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., at an automated teller machine, in person, by mail, internet access, automatic transfer, or telephone, as applicable). We may return as unpaid any check or draft drawn on a form we do not provide, and you are responsible for any loss we incur handling such a check or draft. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney.
- c. Credit Union Examination.** We may disregard information on any check or draft other than the signature of the drawer, the amount and any magnetic encoding. You agree we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

- 10. ACH & WIRE TRANSFERS** – Except as amended by this Agreement, electronic funds transfers we permit that are subject to Article 4A of the Uniform Commercial Code will be subject to such provisions of the Uniform Commercial Code as enacted by the state where the main office of the credit union is located. We may execute certain requests for electronic funds transfers by Fedwire. Fedwire transactions are subject to Federal Reserve Board Regulation J. You may order electronic funds transfers to or from your account. We will debit your account for the amount of an electronic funds transfer and will charge your account for any fees related to the transfer. Unless we agree otherwise in writing, we reserve the right to refuse to execute any order to transfer funds to or from your account. We are not obligated to execute any order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available funds in your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control including mechanical, electronic or equipment failure. We will not provide you with next day notice of ACH, wire transfers or other electronic payments credited to your account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received. If we fail to properly execute a payment order, and such action results in a delay in payment to you, we will pay you dividends or interest for the period of delay as required by applicable law. The dividends or interest paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period. Payment orders we accept will be executed within a reasonable time of receipt but may not necessarily be executed on the date they are received. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations, and amendments and if received after a cut-off time, may be treated as having been received on the next following funds transfer business day. Information about any cut-off times is available upon request. When you initiate a wire transfer, you may identify the recipient and any financial institution by name and by account or identifying number. The credit union and any other financial institutions facilitating the transfer may rely strictly on the account or identifying number even if the number identifies a different person or financial institution. Any account owner may amend or cancel a payment order even if that person did not initiate the order. We may refuse requests to amend or cancel a payment order that we believe will expose the credit union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order. We may require you to follow a security procedure to execute a payment order or certain electronic funds transfer transactions. We will notify you of any such security procedures and you agree that our security procedures are commercially reasonable.
- 11. ACCOUNT RATES AND FEES** – We pay account earnings and assess fees against your account as set forth in the Truth-in-Savings Disclosure. We may change the Truth-in-Savings Disclosure at any time and will notify you as required by law.
- 12. TRANSACTION LIMITATIONS** –
- a. Withdrawal Restrictions.** We will pay checks or drafts, permit withdrawals and make transfers from available funds in your account. The availability of funds in your account may be delayed as described in our Funds Availability Policy Disclosure. We may also pay checks or drafts, permit withdrawals and make transfers from your account from insufficient available funds if you have established an overdraft protection plan or, if you do not have such a plan with us, according to our overdraft payment policy. We may refuse to allow a withdrawal in some situations, and will advise you accordingly, for example: (1) a dispute between account owners (unless a court has ordered the credit union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; or (5) you fail to repay a credit union loan on time. We may require you to give written notice of seven (7) days to sixty (60) days before any intended withdrawals.
 - b. Transfer Limitations.** We may limit the dollar amount or the number of transfers from your account. Please consult your Truth-in-Savings Disclosure or your Electronic Funds Transfer Agreement and Disclosure.
- 13. CERTIFICATE ACCOUNTS** – Any time deposit, term share, share certificate, or certificate of deposit account allowed by state law (certificate account), whichever we offer, is subject to the terms of this Agreement, the Truth-in-Savings Disclosure and Account Deposit Receipt for each account, the terms of which are incorporated herein by reference.
- 14. OVERDRAFTS** –
- a. Payment of Overdrafts.** If, on any day, the available funds in your share or deposit account are not sufficient to pay the full amount of a check, draft, item,

transaction or other items posted to your account plus any applicable fee ("overdraft"), we may pay or return the overdraft. The credit union's determination of an insufficient available account balance may be made at any time between presentation and the credit union's midnight deadline with only one review of the account required. We do not have to notify you if your account does not have sufficient available funds to pay an overdraft. Your account may be subject to a charge for each overdraft regardless of whether we pay or return the overdraft. Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay an overdraft, we do not agree to pay overdrafts in the future and may discontinue covering overdrafts at any time without notice. If we pay an overdraft or impose a fee that overdraws your account, you agree to pay the overdrawn amount in accordance with your overdraft protection plan or, if you do not have such a plan, in accordance with our overdraft policy.

- b. Order of Payments.** Checks, drafts, items and other transactions may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, draft or item and execute other transactions on your account in any order we choose. The order in which we process checks, drafts and items and execute other transactions on your account may affect the total amount of overdraft fees that may be charged to your account. Please contact us if you have questions about how we pay checks and drafts and process transfers and withdrawals.

- 15. POSTDATED AND STALEDATED DRAFTS –** You agree not to issue any check or draft that is postdated. If you do issue a check or draft that is payable on a future date and we pay it before that date, you agree that we shall have no liability to you for such payment. You agree not to deposit checks, drafts other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account that is presented more than six (6) months past its date.

16. STOP PAYMENT ORDERS –

- a. Stop Payment Order Request.** Any owner may request a stop payment order on any check or draft drawn on the owner's account. To be binding the order must be in writing, dated, signed, and must accurately describe the check or draft including the exact account number, check or draft number and the exact amount of the check or draft. This exact information is necessary for the credit union's computer to identify the check or draft. If we receive incorrect or incomplete information, we will not be responsible for failing to stop payment on the check or draft. In addition, we must receive sufficient advance notice of the stop payment order to allow us a reasonable opportunity for us to act on it. If we recredit your account after paying a check or draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to assign to us all of your rights against the payee or other holders of the check or draft and to assist us in any legal action.
- b. Duration of Order.** Stop payment orders are effective for six (6) months and may be renewed for additional six (6) month periods by requesting in writing that the stop payment order be renewed within a period which the stop payment order is effective. We are not required to notify you when a stop payment order expires.
- c. Liability.** Fees for stop payment orders are set forth in the Truth-in-Savings Disclosure. You may not stop payment on any certified check, cashier's check, teller's check, or any other check, draft, or payment guaranteed by us. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the credit union harmless from all costs, including attorney's fees, damages or claims related to our refusing payment of an item, including claims of any joint account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

- 17. CREDIT UNION LIABILITY –** If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: (1) your account contains insufficient funds for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor. We exercise ordinary care if our actions or non-actions are consistent with applicable state law. Federal Reserve regulations and operating letters, clearinghouse rules, and general financial institution practices followed in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement.

- 18. CHECKS PRESENTED FOR PAYMENT IN PERSON** – We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft and we shall have no liability for refusing payment.
- 19. PLEDGE/STATUTORY LIEN** – Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and all deposits and interest, if any, in all accounts you have with us now and in the future. If you pledge a specific dollar amount in your account for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged account(s) may be withdrawn unless you are in default. Federal or state law, depending upon whether we have a federal or state charter, gives us a lien on all shares and dividends and all deposits and interest, if any, in accounts you have with us now and in the future. Except as limited by state or federal law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default. After you are in default, we may exercise our statutory lien rights without further notice to you. **Your pledge and our statutory lien rights will allow us to apply the funds in your account to what you owe when you are in default, except as limited by state or federal law.** If we do not apply the funds in your account(s) to satisfy your obligation, we may place an administrative freeze on your account(s) in order to protect our statutory lien rights and may apply the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security. By not enforcing our right to apply funds in your account to your obligations that are in default, we do not waive our right to enforce these rights at a later time.
- 20. LEGAL PROCESS** – If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest.
- 21. ACCOUNT INFORMATION** – Upon request, we will give you the name and address of each agency from which we obtain a credit report regarding your account. We agree not to disclose account information to third parties except when: (1) it is necessary to complete a transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure complies with the law or a government agency or court order; or (4) you give us written permission.
- 22. NOTICES** –
- a. Name or Address Changes.** You are responsible for notifying us of any address or name change. The credit union is only required to attempt to communicate with you at the most recent address you have provided to us. We may require all name and address changes to be provided in writing. If we attempt to locate you, we may impose a service fee as set forth in the Truth-in-Savings Disclosure.
 - b. Notice of Amendments.** Except as prohibited by applicable law, we may change the terms of this Agreement. We will only notify you of any change in terms, rates, or fees as required by law. We reserve the right to waive any term in the Agreement. Any such waiver shall not affect our right to future enforcement.
 - c. Effect of Notice.** Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the U.S. mail, postage prepaid and addressed to you at your statement mailing address. Notice to any account owner is considered notice to all account owners.
- 23. TAXPAYER IDENTIFICATION NUMBERS AND BACKUP WITHHOLD** – Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN, we may suspend opening your account.
- 24. STATEMENTS** –
- a. Contents.** If we provide a periodic statement for your account, you will receive a periodic statement of transactions and activity on your account during the statement

period as required by applicable law. If a periodic statement is provided, you agree that only one statement is necessary for joint multiple party accounts. For share draft or checking accounts, you understand and agree that your original check or draft, when paid, becomes property of the credit union and may not be returned to you, but copies may be retained by us or be payable through financial institutions and made available upon your request. You understand and agree that statements are made available to you on the date they are sent to you. You also understand and agree that checks, drafts or copies thereof are made available to you on the date the statement is sent to you, even if the checks or drafts do not accompany the statement.

- b. Examination.** You are responsible for promptly examining each statement upon receiving it and reporting any irregularities to us. If you fail to report any irregularities such as forged, altered, unauthorized, unsigned, or otherwise fraudulent items drawn on your account, erroneous payments or transactions, or other discrepancies reflected on your statement within thirty-three (33) days of the date we sent the statement to you, we will not be responsible for your loss. We also will not be liable for any items that are forged or altered in a manner not detectable by a reasonable person including the unauthorized use of a facsimile signature machine.
- c. Notice to Credit Union.** You agree that the credit union's retention of checks or drafts does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes and we will not be liable for any payment made or charged to your account unless you notify us in writing within the above time limit for notifying us of any errors. If you fail to receive a periodic statement, you agree to notify us within fourteen (14) days of the time you regularly receive a statement.

25. INACTIVE ACCOUNTS – If your account falls below any applicable minimum balance and you have not made any transactions over a period specified in the Truth-in-Savings Disclosure during which we have been unable to contact by regular mail, we may classify your account as inactive or dormant. Unless prohibited by applicable law, we may charge a service fee as set forth in the Truth-in-Savings Disclosure for processing your inactive account. If we impose a fee, we will notify you, as required by law, at your last known address. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer the account funds to an account payable and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

26. SPECIAL ACCOUNT INSTRUCTIONS – You may request that we facilitate certain trust, will, or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangements most appropriately meets the specific requirements of your trust, will, or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection. Account changes requested by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed Account Change Card and accepted by us.

27. TERMINATION OF ACCOUNT – We may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any checks or drafts are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us. You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a joint multiple party account. We are not responsible for payment of any check, draft, withdrawal, or other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse us.

28. TERMINATION OF MEMBERSHIP – You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all your accounts. You may be denied services for causing a loss to the credit union or you may be expelled for any reason as allowed by applicable law.

- 29. DEATH OF ACCOUNT OWNER** – We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we know of an owner's death. Once we know of an owner's death, we may pay checks or drafts or honor other payments or transfer orders authorized by the deceased owner for a period of ten (10) days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the checks, drafts or other items. We may require anyone claiming funds from an account of a deceased owner to indemnify us for any losses resulting from our honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any account owner.
- 30. SEVERABILITY** – If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.
- 31. ENFORCEMENT** – You are liable to us for any losses, costs or expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such losses, costs or expenses from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions.
- 32. GOVERNING LAW** – This Agreement is governed by the credit union's bylaws, federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the state in which the credit union's main office is located, and local clearinghouse rules, as amended from time to time. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the credit union is located.
- 33. NEGATIVE INFORMATION NOTICE** – **We may report information about your loan, share or deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.**
- 34. COURTESY PAY PROGRAM** – Courtesy Pay Program is available on your Personal Checking Account. We may honor overdrafts of individual Checking Accounts subject to certain conditions and limitations as set forth in this disclosure. We may deduct a courtesy pay fee as set forth in the Fee Schedule for each overdraft honored upon presentment. All existing Checking Accounts and/or Accounts that have been opened for a minimum of ninety (90) days may automatically be eligible for the program. Accounts must be in good standing to be eligible for the Courtesy Pay Program. An Account in good standing is defined as: (1) making regular deposits; (2) bringing the account balance positive at least once every thirty (30) days; (3) not having caused a loss to the credit union; (4) there are no legal orders outstanding against you; (5) any loans or credit card accounts are not more than ten (10) days past due. All Courtesy Pay Program Checking Accounts are subject to a maximum overdraft limit of \$200.00, including courtesy pay fees. The Courtesy Pay Program is a non-contractual courtesy and is in addition to our automatic overdraft protection. We have the right to discontinue the program or withdraw your Checking Account from the program based on poor performance of the Account, or your failure to cover the overdrafts. We may refuse to pay an overdraft for you at any time, even if your Account is in good standing and even though we may have previously paid overdrafts for you. We have the right to limit participation to one Account per member or household. There is no interest charged on any overdraft or unpaid overdraft charge. We will notify you by mail of any overdraft paid or returned; however, we have no obligation to notify you before we pay or return an item. The amount of any overdrafts, NSF or Courtesy Pay Fees that you owe us shall be due and payable upon demand. If there is an overdraft paid by us on an Account with more than one (1) owner on the signature card, each owner, drawing/presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts plus any applicable fees. You also authorize us to deduct any overdraft from your next deposit, including funds received from Social Security, to withhold or to transfer funds from any other Account to which you are a party in amounts sufficient to cover any overdraft, or to use any other collection remedy available to us at law. The following transactions will be covered under the Courtesy Pay Program: (1) checks issued; (2) ACH debits and withdrawals; (3) ATM withdrawals and/or Point of Sale transactions; (4) service or check charges.
- a. Always a Discretionary Service.** Our Courtesy Pay Program does not constitute an actual or implied agreement between you and Nascoga FCU. Nor does it constitute an actual or implied obligation of or by us. This service represents a

purely discretionary courtesy or privilege that we may provide to you from time to time and which may be withdrawn or withhold by us at any time without prior notice or reason or cause.

- b. Member Opt-Out.** You may choose at any time not to participate in our Courtesy Pay Program by notifying us in writing. You or a joint owner on your Account may decline this service by signing an Account Change Card and initialing and dating the Opt-Out section. This Opt-Out will remain in effect until you or your joint owner on the Checking Account signs a form revoking the Opt-Out and requesting that Courtesy Pay be added to the Account. In the event of conflicting requests from the owners of the Checking Account, we may decline to extend the Courtesy Pay Program on the Account; however, we have the option to honor the most recent written request.

II. FUNDS AVAILABILITY POLICY

This disclosure describes your ability to withdraw funds at Nascoga Federal Credit Union. It only applies to the availability of funds in transaction accounts. The credit union reserves the right to delay the availability of funds deposited to accounts that are not transaction accounts for periods longer than those disclosed in this policy. Please ask us if you have a question about which accounts are affected by this policy.

- 1. GENERAL POLICY** – Our policy is to make funds from your cash and check deposits available to you on the same business day that we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. We have different deposit cut-off hours for different deposit locations. If you make a deposit before our cut-off hour on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after our cut-off hour or on a day we are not open, we will consider that the deposit was made on the next business day we are open. Our cut-off hours are available at the credit union.
- 2. RESERVATION OF RIGHT TO HOLD** – In some cases, we will not make all of the funds that you deposit by check available to you on the same business day that we receive your deposit. Depending on the type of check that you deposit, funds may not be available until the second (2nd) business day after the day of your deposit. However, the first \$200.00 of your deposit will be available on the first (1st) business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the same business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the next business day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.
- 3. HOLDS ON OTHER FUNDS** – If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately, but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.
- 4. LONGER DELAYS MAY APPLY** – We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons: (1) we believe a check you deposit will not be paid; (2) you deposit checks totaling more than \$5,000.00 on any one (1) day; (3) you deposit a check that has been returned unpaid; (4) you have overdrawn your account repeatedly in the last six (6) months; (5) there is an emergency, such as failure of communications or other computer equipment. We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh (7th) business day after the day of your deposit.
- 5. SPECIAL RULES FOR NEW ACCOUNTS** – If you are a new member, the following special rules will apply during the first thirty (30) days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000.00 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the next business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5000.00 will be available on the ninth (9th) business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5000.00 will not be available until the second (2nd) business day after the day of your deposit. Funds from all other check deposits will be available on the tenth (10th) business day after the day of your deposit.

III. ELECTRONIC FUNDS TRANSFER AGREEMENT AND

DISCLOSURE

This Electronic Funds Transfer Agreement is the contract which covers your and our rights and responsibilities concerning the electronic funds transfer (EFT) services offered to you by Nascoga Federal Credit Union ("credit union"). In this agreement, the words "you" and "yours" mean those you sign the Application or Account Card as applicants, joint owners, or any authorized users. The words "we", "us", and "our" mean the credit union. The word "account" means any one or more share and share draft accounts you have with the credit union. Electronic funds transfers are electronically initiated transfers of money from your account through the EFT services described below. By signing an Application or Account Card for EFT services, signing your card, or using any service, each of you, jointly and severally, agree to the terms and conditions in this agreement and any amendments for the EFT services offered.

1. **EFT SERVICES** – If approved, you may conduct any one or more of the EFT services offered by the credit union.
 - a. **QwikCash (ATM Card).** If approved, you may use your card and personal identification number (PIN) in automated teller machines (ATM's) of the credit union, Pulse or Cirrus networks, and such other machines or facilities as the credit union may designate. At the present time, you may use your card to: (1) withdraw funds from your share and share draft accounts; (2) transfer funds from your share and share draft accounts; (3) obtain balance information for your share and share draft accounts; (4) make point-of-sale (POS) transactions with your card and personal identification number (PIN) to purchase goods or services at POS terminals that carry Pulse or Cirrus network logo(s). The following limitations on the frequency and amount of ATM transactions may apply: (1) there is no limit on the number of cash withdrawals you may make in any one day; (2) you may withdraw up to a maximum of \$200 in any one day, if there are sufficient funds in your account; (3) there is no limit on the number of POS transactions you may make in any one day; (4) you may purchase up to a maximum of \$200 from POS terminals per day, if there are sufficient funds in your account; (5) for security purposes, there are limits on the frequency and amount of transfers available at ATM's; (6) you may transfer up to the available balance in your accounts at the time of the transfer; (7) see Section 2 for transfer limitations that may apply to these transactions.
 - b. **Visa Check Card.** If approved, you may use your card to purchase goods and services from participating merchants. If you wish to pay for goods or services over the Internet, you may be required to provide card number security information before you will be permitted to complete the transaction. You agree that you will not use your card for any transaction that is illegal under applicable federal, state, or local law. Funds to cover your card purchases will be deducted from your share draft account. If the balance in your account is not sufficient to pay the transaction amount, the credit union will pay the amount and treat the transaction as a request to transfer funds from other deposit accounts, approved overdraft protection accounts or loan accounts that you have established with the credit union. If you initiate a transaction that overdraws your account, you agree to make immediate payment of any overdrafts together with any service charges to the credit union. In the event of repeated overdrafts, the credit union may terminate all services under this agreement. You may use your card and personal identification number (PIN) in ATMs of the credit union, Pulse or Cirrus networks, and such other machines or facilities as the credit union may designate. At the present time, you may also use your card to: (1) withdraw funds from your share and share draft accounts; (2) transfer funds from your share and share draft accounts; (3) obtain balance information for your share and share draft accounts; (4) make point-of-sale (POS) transactions with your card and personal identification number (PIN) to purchase goods or services at merchants that accept Visa; (5) order goods or services by mail or telephone from places that accept Visa. The following limitations on the frequency and amount of Visa Check Card transactions may apply: (1) there is no limit on the number of Visa Check Card purchases you make per day; (2) purchase amounts are limited to the amount in your account; (3) you may purchase up to a maximum of \$1,000 per day; (4) there is no limit to the number of cash withdrawals you may make in any one day from an ATM machine; (5) you may withdraw up to a maximum of \$300 in any one day from an ATM machine, if there are sufficient funds in your account; (6) there is no limit on the number of POS transactions you may make in any one day, (7) you may purchase up to a maximum of \$1,000 from POS terminals per day, if there are sufficient funds in your account; (8) for security purposes, there are other limits on the frequency and amount of transfers available at ATM's; (9) you may transfer up to the available balance in your accounts at the time of the transfer; (10) see Section 2 for transfer limitations that may apply to these transactions.

- c. Teller Hotline.** If we approve Teller Hotline for your accounts, a separate personal identification number (PIN) will be assigned to you. You must use your personal identification number (PIN) along with your account number to access your accounts. At the present time, you may use Teller Hotline to: (1) withdraw funds from your share and share draft accounts; (2) transfer funds from your share and share draft accounts; (3) obtain balance information for your share, share draft, and IRA accounts; (4) make loan payments from your share and share draft accounts; (5) determine if a particular item has cleared; (6) obtain tax information on amounts earned on share and share draft accounts or interest paid on loan accounts; (7) verify the last date and amount of your payroll deposit.

Your accounts can be accessed under Teller Hotline via a touch-tone telephone only. Teller Hotline service will be available for your convenience twenty-four (24) hours per day. This service may be interrupted for a short time each day for data processing. There is not limit to the number of inquiries, transfers, or withdrawal requests you may make in any one day. See Section 2 for transfer limitations that may apply to these transactions.

The credit union reserves the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address of record. The credit union may set other limits on the amount of any transaction, and you will be notified of those limits. The credit union may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction, and there may be limits on the duration of each telephone call.

d. Preauthorized EFTs.

- i. Direct Deposit. Upon instruction of (i) your employer or (ii) the Treasury Department or (iii) other financial institutions, the credit union will accept direct deposits of your paycheck or federal recurring payments, such as Social Security, to your share and/or share draft account.
- ii. Preauthorized Debits. Upon instruction, we will pay certain recurring transactions from your share, and share draft account. See Section 2 for transfer limitations that may apply to these transactions.
- iii. Stop payment Rights. If you have arranged in advance to make regular electronic funds transfers out of your account(s) for money you owe others, you may stop payment of preauthorized transfers from your account. You must notify us orally or in writing at any time up to three (3) business days before the scheduled date of the transfer. We may require written confirmation of the stop payment order to be made within fourteen (14) days of any oral notification. If we do not receive the written confirmation, the oral stop payment order shall cease to be binding fourteen (14) days after it has been made.
- iv. Notice of Varying Amounts. If these regular payments may vary in amount, the person you are going to pay is required to tell you, ten (10) days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.
- v. Liability for Failure to Stop Payment of Preauthorized Transfers. If you order us to stop payment of a preauthorized transfer three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

- e. Electronic Check Conversion/Electronic Returned Check Fees.** If you pay for purchases or bills with a check or share draft, you may authorize your check or share draft to be converted to an electronic funds transfer. You may also authorize merchants or other payees to electronically debit your account for returned check fees. You are considered to have authorized these electronic funds transfers if you complete the transaction after being told (orally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization.

- f. Home Banking.** If we approve Home Banking for your accounts, a separate personal identification number (PIN) will be assigned to you. You must use your personal identification number (PIN) along with your account number to access your accounts. At the present time, you may use Home banking to: (1) withdraw funds from your share and share draft accounts; (2) transfer funds from your share and share draft accounts; (3) obtain balance information for your share, share draft, loan,

IRA and certificate accounts; (4) make loan payments from your share and share draft accounts; (5) determine if a particular item has cleared; (6) obtain tax information on amounts earned on share and share draft accounts or interest paid on loan accounts; (7) verify the last date and amount of your payroll deposit.

Your accounts can be accessed under Home Banking via personal computer. Home Banking will be available for your convenience twenty-four (24) hours per day. This service may be interrupted for a short time each day for data processing. We reserve the right to refuse any transactions which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address of record. We may set other limits on the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction, and there may be limits on the duration of each access. There is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one day. See Section 2 for transfer limitations that may apply to these transactions.

- g. Bill Pay.** We will process bill payment transfer requests only to those creditors the credit union has designated in the User Instructions and such creditors as you authorize and for whom the credit union has the proper vendor code number. We will not process any bill payment transfer if the required transaction information is incomplete. We will withdraw the designated funds from your share draft account for bill payment transfer by the designated cut-off time on the date you schedule for payment. We will process your bill payment transfer within a designated number of days before the date you are scheduled for payment. You must allow sufficient time for vendors to process your payment after they receive a transfer from us. Please leave as much time as though you were sending your payment by mail. We cannot guarantee the time that any payment will be credited to your account by the vendor. There is no limit on the number of bill payments per day.

- 2. TRANSFER LIMITATIONS –** For all share accounts and Money Market Accounts, no more than six (6) preauthorized, automatic telephone, or internet transfers and withdrawals may be made from each account to another account of yours or to a third party in any month. If you exceed these limitations, your account may be subject to a fee or be closed.

3. CONDITONS OF EFT SERVICES –

- a. Ownership of Cards.** Any card or other device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the card, immediately according to instructions. The card may be repossessed at any time at our sole discretion without demand or notice. You cannot transfer your card or account to another person.
- b. Honoring the Card.** Neither we nor merchants authorized to honor the card will be responsible for the failure or refusal to honor the card or any other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your account in lieu of a cash refund.
- c. Foreign Transactions – Visa.** Purchases and cash advances made in foreign currencies will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa from a 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 exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.
- d. Security of Access Code.** You may use one or more access codes with your electronic funds transfers. The access codes issued to you are for your security purposes. Any codes issued to you are confidential and should not be disclosed to third parties or recorded on or with the card. You are responsible for safekeeping your access codes. You agree not to disclose or otherwise make your access codes available to anyone not authorized to sign on your accounts. If you authorize anyone to use your access codes, that authority shall continue until you specifically revoke such authority by notifying the credit union. You understand that any joint owner you authorize to use an access code may withdraw or transfer funds from any of your

accounts. If you fail to maintain the security of these access codes and the credit union suffers a loss, we may terminate your EFT services immediately.

- e. **Joint Accounts.** If any of your accounts accessed under this Agreement are joint accounts, all joint owners, including any authorized users, shall be bound by this Agreement and, alone and together shall be responsible for all EFT transactions to or from any share and share draft or loan accounts as provided in this Agreement. Each joint account owner, without the consent of any other account owner, may, and is hereby authorized by every other joint account owner, make any transaction permitted under this Agreement. Each joint account owner is authorized to act for the other account owners, and the credit union may accept orders and instructions regarding any EFT transaction on any account from any joint account owner.

- 4. **FEES AND CHARGES** – There are certain fees and charges for EFT services. For a current listing of all applicable fees, see our current Fee Schedule that was provided to you at the time you applied for or requested these electronic services. From time to time, the charges may be changed. We will notify you of any changes as required by applicable law.

If you use an ATM not operated by us, you may be charged a fee by the ATM operator and by any national, regional, or local network used in processing the transaction (and you may be charged a fee for a balance inquiry even if you do not complete a funds transfer). The ATM surcharge will be debited from your account if you elect to complete the transaction or continue with the balance inquiry.

- 5. **MEMBER LIABILITY** – You are responsible for all EFT transactions you authorize. If you permit someone else to use an EFT service, your card or your access code, you are responsible for any transactions they authorize or conduct on any of your accounts.

TELL US AT ONCE if you believe your card has been lost or stolen, if you believe someone has used your card or access code or otherwise accessed your accounts without your authority, or if you believe that an electronic funds transfer has been made without your permission using information from your check. 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 a transaction was made with your card or card number without your permission, and was either a Visa or Interlink transaction, you will have no liability for the transaction, unless you were grossly negligent in the handling of your account or card. For all other EFT transactions, including ATM transactions or if you were grossly negligent in the handling of your account or card, your liability is determined as follows: (1) if you tell us within two (2) business days you can lose no more than \$50 if someone used your card without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card, and we can prove we could have stopped someone from using your card without your permission if you had told us, you could lose as much as \$500; (2) 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 sixty (60) days after the statement was mailed to you, you may not get back any money lost after the sixty (60) days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods. If you believe your card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call: **(940) 665-1797 or (800) 303-8455** or write to: **Nascoga Federal Credit Union, 1312 Lawrence St, Gainesville TX 76240, Fax (940) 665-7953**. You should also call the number or write to the address listed previously if you believe a transfer has been made using the information from your check without your permission.

- 6. **RIGHT TO RECEIVE DOCUMENTATION** –

- a. **Periodic Statements.** Transfers and withdrawals made through any ATM or POS terminal, debit card transactions, Teller Hotline transactions, preauthorized EFTs, Home Banking transactions or Bill Payments you make will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.
- b. **Terminal Receipt.** You will get a receipt at the time you make any transaction (except inquiries) involving your account using an ATM, point-of-sale (POS) terminal, or debit card transaction with a participating merchant.
- c. **Direct Deposit.** If you have arranged to have a direct deposit made to your account at least once every sixty (60) days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has

been made by calling (940) 665-1797 or (800) 303-8455. This does not apply to transactions occurring outside the United States.

- 7. ACCOUNT INFORMATION DISCLOSURE** – We will disclose information to third parties about your account or the transfers you make: (1) as necessary to complete transfers; (2) to verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant; (3) if your account is eligible for emergency cash or emergency card replacement services, and you request such services you agree that we may provide personal information about you and your account that is necessary to provide you with the requested service(s); (4) to comply with government agency or court orders; (5) if you give us your written permission.
- 8. BUSINESS DAYS** – Our business days are Monday through Friday, excluding holidays.
- 9. CREDIT UNION 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 may be liable for your losses or damages. However, we will not be liable for direct or consequential damages in the following events: (1) if through no fault of ours, there is not enough money in your accounts to complete the transaction, if any funds in your accounts necessary to complete the transaction are held as uncollected funds pursuant to our Funds Availability Policy, or if the transaction involves a loan request exceeding your credit limit. (2) if you used your card or access code in an incorrect manner; (3) if the ATM where you are making the transfer does not have enough cash; (4) if the ATM was not working properly and you knew about the problem when you started the transaction; (5) if circumstances beyond our control (such as fire, flood, or power failure) prevent the transaction; (6) if the money in your account is subject to legal process or other claim; (7) if funds in your account are pledged as collateral or frozen because of a delinquent loan; (8) if the error was caused by a system of any participating ATM network; (9) if the electronic transfer is not completed as a result of your willful or negligent use of your card, access code, or any EFT facility for making such transfers; (10) if the telephone or computer equipment you use to conduct Teller Hotline, Home Banking or Bill Payment transactions is not working properly and you know or should have known about the breakdown when you started the transaction; (11) if you have Bill Payment services, we can only confirm the amount, the participating merchant, and date of the Bill Payment transfer made by the credit union. For any other error or question you have involving the billing statement of the participating merchant, you must contact the merchant directly. We are not responsible for investigating such errors; (12) any other exceptions as established by the credit union.
- 10. NOTICES** – All notices from us will be effective when we have mailed them or delivered them to your last known address in the credit union's records. Notices from you will be effective when received by the credit union at the address specified in this Agreement. We reserve the right to change the terms and conditions upon which this service is offered. We will mail notice to you at least twenty-one (21) days before the effective date of any change. Use of this service is subject to existing regulations governing the credit union account and any future changes to those regulations.

The following information is a list of safety precautions regarding the use of ATM's and night deposit facilities: (1) be aware of your surroundings, particularly at night; (2) consider having someone accompany you when the ATM or night deposit facility is used after dark; (3) close the entry door of any ATM facility equipped with a door; (4) if another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction. If it is after the regular hours of the financial institution and you are using an ATM, do not permit entrance to any person you do not know; (5) refrain from displaying your cash at the ATM or night deposit facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home; (6) if you notice anything suspicious at the ATM or night deposit facility, consider using another ATM or night deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your card or deposit envelope and leave; (7) if you are followed after making a transaction, go to the nearest public area where people are located; (8) do not write your personal identification number (PIN) or access code on your ATM card; (9) report all crimes to law enforcement officials immediately. If emergency assistance is needed to call the police from the nearest available public telephone.
- 11. BILLING ERRORS** – In case of errors or questions about electronic funds transfers from your share and share draft accounts or if you need more information about a transfer on the statement or receipt, telephone us at the following number or send us a written notice to the following address as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears. Call us at **(940) 665-1797 or (800)**

303-8455 or write to **Nascoga Federal Credit Union, 1312 Lawrence St, Gainesville TX 76240, Fax (940) 665-7953**. Tell us your name and account number. Describe the electronic transfer you are unsure about and explain, as clearly as you can why you believe the credit union has made an error or why you need more information. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

We will tell you the results of our investigation within ten (10)* business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45)** days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10)* business days 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 ten (10) business days, we may not credit your account.

We will tell you the results within three (3) business days of 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.

* If you give notice of an error within thirty (30) days after you make the first deposit to your account, we will have twenty (20) business days instead of ten (10) business days to investigate the error.

** If you give notice of an error within thirty (30) days after you make the first deposit to your account, notice of an error involving a POS transaction, or notice of an error involving a transaction initiated outside the U.S., its possessions and territories, we will have ninety (90) days instead of forty-five (45) days to investigate the error.

NOTE: If the error you assert is an unauthorized Visa transaction, other than a cash disbursement at an ATM, we will credit your account within five (5) business days unless we determine that the circumstances of your account history warrant a delay, in which case you will receive credit within ten (10) business days.

- 12. TERMINATION OF EFT SERVICES** – You may terminate this agreement or any EFT service under this Agreement at any time by notifying us in writing and stopping your use of your card and any access code. You must return all cards to the credit union. You also agree to notify any participating merchants that authority to make bill payment transfers has been revoked. We may also terminate this Agreement at any time by notifying you orally or in writing. If we terminate this Agreement, we may notify any participating merchants making preauthorized debits or credits to any of your accounts that this Agreement has been terminated, and that we will not accept any further preauthorized transaction instructions. We may also program our computer not to accept your card or access code for any EFT service. Whether you or the credit union terminates this Agreement, the termination shall not affect your obligations under this Agreement for any electronic transactions made prior to termination.
- 13. GOVERNING LAW** – This Agreement is governed by the bylaws of the credit union, federal laws and regulations, the laws and regulations of the state of Texas, and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the credit union is located.
- 14. ENFORCEMENT** – You are liable to us for any losses, costs or expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such losses, costs or expenses from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions.

IV. TRUTH-IN-SAVINGS DISCLOSURES

- I. **SHARE AND SHARE DRAFT ACCOUNTS** – Except as specifically described, the following disclosures apply to all of the accounts. All accounts described in this Truth-in-Savings Disclosure are share accounts.
 1. **RATE INFORMATION** – The Annual Percentage Yield is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. For Share Savings, Special Savings, Student Savings, Kids Klub, and IRA Accounts, the Dividend Rate and Annual Percentage Yield may change quarterly as determined by the credit union's board of directors. For Student Checking, Free Checking and Enhanced Checking accounts, the Dividend Rate and Annual Percentage Yield may change monthly as determined by the credit union's board of directors. The Dividend Rates and Annual Percentage Yields are the rates and yield as of the last dividend declaration date, which is set forth in the Rate Schedule. The **Share Savings, Special Savings, Student Savings and Kids Klub** accounts are Tiered Rate accounts. If your Daily Balance is from \$100.00 to \$2,499.99, the first Dividend Rate and Annual Percentage Yield listed for this account in the Rate Schedule will apply. If your Daily Balance is from \$2,500.00 to \$9,999.99, the second Dividend Rate and Annual Percentage Yield listed for this account will apply. If your Daily Balance is from \$10,000.00 to \$24,999.99, the third Dividend Rate and Annual Percentage Yield listed for this account will apply. If your Daily Balance is from \$25,000.00 to \$49,999.99, the fourth Dividend Rate and Annual Percentage Yield listed for this account will apply. If your Daily Balance is \$50,000.00 or greater, the fifth Dividend Rate and Annual Percentage Yield listed for this account will apply. Once a particular range is met, the Dividend Rate and Annual Percentage Yield for that balance range will apply to the full balance of your account. The **Money Market** account is a Tiered Rate account. If your Daily Balance is from \$2,000.00 to \$9,999.99, the first Dividend Rate and Annual Percentage Yield listed for this account will apply. If your Daily Balance is from \$10,000.00 to \$49,999.99, the second Dividend Rate and Annual Percentage Yield listed for this account will apply. If your Daily Balance is \$50,000.00 or greater, the third Dividend Rate and Annual Percentage Yield listed for this account will apply. Once a particular range is met, the Dividend Rate and Annual Percentage Yield for that balance range will apply to the full balance of your account.
 2. **NATURE OF DIVIDENDS** – Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period.
 3. **DIVIDEND COMPOUNDING AND CREDITING** – The compounding and crediting frequency of dividends and dividend period applicable to each account are stated in the Rate Schedule. The Dividend Period is the period of time at the end of which an account earns dividend credit. The Dividend Period begins on the first calendar day of the period and ends on the last calendar day of the period.
 4. **ACCRUAL OF DIVIDENDS** – For all accounts, dividends will begin to accrue on non-cash deposits (e.g. checks) on the business day you make the deposit to your account. If you close your account before accrued dividends are credited, you will not receive the accrued dividends.
 5. **BALANCE INFORMATION** – To open any account you must deposit or already have on deposit at least the par value of one full share in a Share Savings account. The par value amount is stated in the Fee Schedule. Some accounts may have additional minimum opening deposit requirements. The minimum balance requirements applicable to each account are stated in the Rate Schedule. For Money Market, Enhanced Checking and Bonus Checking accounts, there is a minimum Daily Balance required to avoid a service fee for the statement period. If the minimum Daily Balance is not met during each day of the statement period, there will be a service fee as stated in the Fee Schedule. For Share Savings, Special Savings, Student Savings, Kids Klub, Money Market, Enhanced Checking and Bonus Checking accounts, there is a minimum Daily Balance required to earn the Annual Percentage Yield disclosed for the dividend period. If the minimum Daily Balance is not met each day of the dividend period, you will not earn the stated Annual Percentage Yield. For accounts using the Daily Balance method as stated on the Rate Schedule, dividends are calculated by applying a daily periodic rate to the balance in the account each day.
 6. **ACCOUNT LIMITATIONS** – For Share Savings, Special Savings, Student Savings, Kids Klub, Money Market and IRA accounts, no more than six (6) preauthorized, automatic or telephone transfers may be made from each account to another account or to a third party in any month. If you exceed these limitations, your account may be subject to a fee or be closed. For Share Savings, Student Savings and Kids Klub accounts, you will be charged an excessive withdrawal fee after two (2) withdrawals per month. For Student Checking, Free Checking, Enhanced Checking and Bonus Checking accounts, no account limitations apply.

7. FEES FOR OVERDRAWING ACCOUNTS – Fees may be imposed on each check, draft, item, ATM card withdrawal, debit card point of purchase, preauthorized automatic debit, telephone initiated withdrawal or any other electronic withdrawal or transfer transaction that is drawn on an insufficient available account balance. The entire balance in your account may not be available for withdrawal, transfer or paying a check, draft or item. You may consult the Funds Availability Policy for information regarding the availability of funds in your account. Fees for overdrawing your account may be imposed for each overdraft, regardless of whether we pay or return the draft, item or transaction. If we have approved an overdraft protection limit for your account, such fees may reduce your approved limit. Please refer to the Fee Schedule for current fee information.

V. TRUTH-IN-SAVINGS FEE SCHEDULE

Refer to Separate Fee Schedule for current listing of fees.

VI. PRIVACY NOTICE DISCLOSURE

Nascoga Federal Credit Union, your member-owned financial institution, is committed to providing you with competitive products and services to meet your financial needs and help you reach your goals. We are equally committed to protecting the privacy of our members. Under federal law, we are required to give you this privacy notice. It describes our credit union's privacy policy and practices concerning the personal information we collect and disclose about our members. It also includes information about the parties who receive personal and sometimes non-public information from us as we conduct the business of the credit union.

If after reading this notice you have questions, please contact us at **(940) 665-1797 or (800) 303-8455** or write to **Nascoga Federal Credit Union, 1312 Lawrence St, Gainesville TX 76240, Fax (940) 665-7953**

INFORMATION WE COLLECT ABOUT YOU –

We collect non-public personal information about you from the following sources: (1) information we receive from you on applications and other forms; (2) information about your transactions with us; (3) information we receive from a consumer reporting agency; (4) information obtained when verifying the information you provide on an application or other forms, this may be obtained from your current or past employers, or from other institutions where you conduct financial transactions. We may disclose all of the information we collect, as previously described, as permitted by law.

PARTIES WHO RECEIVE INFORMATION FROM US –

We may disclose non-public personal information about you to the following types of third parties: (1) financial service providers, such as insurance companies and mortgage service companies; (2) non-financial companies, such as consumer reporting agencies, data processors, check/share draft printers, financial statement publishers/printers, plastic card processors, government agencies and mail houses.

DISCLOSURE OF INFORMATION TO PARTIES THAT PROVIDE SERVICES TO US –

In order for us to conduct the business of the credit union, we may disclose all of the information we collect, as described above, to other financial institutions with whom we have joint marketing agreements, to other companies that perform marketing services on our behalf, or to nonaffiliated third parties for the purposes of processing and servicing transactions that you request or authorize, so that we may provide members competitive products and services.

We may also disclose non-public personal information about you under circumstances as permitted or required by law. These disclosures typically include information to process transactions on your behalf, conduct the operations of our credit union, follow your instructions as you authorize, or protect the security of our financial records.

To protect our members' privacy, we only work with companies that agree to maintain strong confidentiality protections and limit the use of information we provide. We do not permit these companies to sell the information we provide to other third parties.

DISCLOSURE OF INFORMATION ABOUT FORMER MEMBERS –

If you terminate your membership with Nascoga Federal Credit Union, we will not share information we have collected about you, except as may be permitted or required by law.

HOW WE PROTECT YOUR INFORMATION –

We restrict access to non-public personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, or procedural safeguards that comply with federal regulations to guard your non-public personal information.

WHAT MEMBERS CAN DO TO HELP –

Nascoga Federal Credit Union is committed to protecting the privacy of its members. Members can help by following these simple guidelines: (1) protect your account numbers, plastic card numbers, personal identification numbers (PINs) or passwords. Never keep your PIN with your card. The PIN can provide free access to your accounts if your card is lost or stolen; (2) use caution when disclosing your account numbers, social security numbers, etc. to other persons. If someone calls you explaining the call is on behalf of the credit union and asks for your account number, you should beware. Official credit union staff will have access to your information and will not need to ask for it; (3) keep your information with us current. If your address or phone number changes, please let us know. It is important that we have current information on how to reach you. If we detect potentially fraudulent or unauthorized activity or use of an account, we will attempt to contact you immediately.

Let us know if you have any questions. Please do not hesitate to call us – we are here to serve you!