



**Membership and Account Agreement**  
**Electronic Fund Transfers Agreement**  
**Funds Availability Policy**  
**Substitute Checks and Consumer Rights**  
**Privacy Policy**

## **IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, tax identification number and other information that will allow us to identify you. We will also ask to see your driver's license or other identifying documents.

Data on existing members will be obtained as they open or use additional services.

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# **ALLIED FEDERAL CREDIT UNION**

## **MEMBERSHIP AND ACCOUNT AGREEMENT**

### **INTRODUCTION**

In this Agreement, the words “you,” “your,” and “Party,” mean any and all persons or entities who sign an Application for Membership, signature card, or any other account document (collectively, “Application”) in connection with the opening of a Checking, Savings, or any other share or certificate account (“Account”) with Allied 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. “Owner” means each person who owns the Account, including any Joint Owners. “Primary Member” means the Account Owner first listed on the Application and under whose taxpayer identification number the Account is maintained. The words “we,” “us,” “our,” and “Credit Union” mean Allied Federal Credit Union.

In this Agreement and in the Truth-in-Savings Account Disclosures and Rate and Fee Schedules, the term “Savings Account” may be used to describe Share Accounts 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 behalf of any other persons designated in any Application, including but not limited to any Savings, Checking, Money Market, IRA, and Certificate and Term Share 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 and Rate and Fee Disclosures (collectively, the Truth in Savings 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 any conflict between the terms of this Agreement and the Truth-in-Savings Disclosures, the terms appearing in the Truth-in-Savings Disclosures will control. The Truth-in-Savings Disclosures are incorporated into this Agreement. This Agreement is incorporated into and made a part of any Application or other document that 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 that apply to each of your Accounts, including any applicable dividend rate and the annual percentage yield on your Accounts, are set out in the Truth-in-Savings Disclosures that accompany this Account Agreement.

# ACCOUNT OWNERSHIP

Account selection is made on the Application. The type of Account you select may determine how property passes on your death. Your Will may not control the disposition of funds held in some of the following Accounts. For Convenience Accounts, a designated convenience signer may make transactions on the Owners' behalf during their lifetime but does not own the Account. A designated convenience signer owns the Account upon the last Account Owner's death only if the convenience signer is also designated as a Payable on Death ("P.O.D.") payee.

## 1. Single Party Account

Under this type of account ownership, the sole Owner of the Account owns the Account. If you open a Single Party Account without a Payable on Death ("P.O.D.") designation, upon your death ownership of the Account passes as part of your estate under your Will or by intestacy. If a P.O.D. designation is made and the P.O.D. beneficiaries survive the Owner, then upon the Owner's death, ownership of the Account passes to the P.O.D. beneficiaries of the Account and the Account does not pass as part of the Owner's estate.

## 2. Joint or Multiple-Party Accounts

If an Account is opened by two or more Owners, or if one or more Owners are added to a Single Party Account after the Account is opened, the Account will be a Joint or Multiple-Party Account. The Owners to the Account own the Account in proportion to their net contributions to the Account. Payment to any Party shall be valid and discharge the Credit Union from any and all liability for such payment. Except as otherwise provided in this Agreement, the Credit Union may accept instructions from any Party or act at the request of any Party with regard to any such Account without the consent of any other Party to the Account. Each Owner authorizes all other Parties to the Account to act on his or her behalf with respect to the Account and to endorse any instrument payable to him or her for deposit to any such Account. Without the consent or joinder of any other Owner and without regard to the interest in the Account of any other Owner, any Party to the Account may (i) make deposits to or withdraw funds from the Account, (ii) place stop payment orders with respect to any items drawn on the Account by any Account Party (iii) pledge all of the shares or deposits in an Account to secure any indebtedness owing to us, or (iv) designate an Account to provide overdraft protection for any other Account. The Owners agree that the Credit Union may pay funds in any Joint or Multiple-Party Account to or on the order of any Party, regardless of whether any other Owner is incapacitated or deceased.

The Primary Member in whose name a Joint or Multiple-Party Account is opened may, without notice to any other Party of such Account and upon written notice to the Credit Union in such form as the Credit Union may require, change the form of the Account, add Parties to the Account, remove any Parties from the Account, or stop or vary payment under the terms of the Account. Any such action by the Primary Member will terminate any interest that the removed Party may have in such Account. At its option, the Credit Union may require that an Account be closed and a new Account opened in lieu of permitting the Primary Member to remove any Party from the Account, or the Credit Union may require the consent of one or more Account Parties prior to acting upon any written notification or instruction by a Primary Member to remove a Party from an Account. No other Party to a Joint or Multiple-Party Account may make any such change, addition or deletion, except any Party to a Joint or Multiple-Party Account may always remove himself or herself from the Account. The Credit Union makes no representation concerning the legal consequences or effectiveness of the survivorship rights described below, 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 a qualified attorney if you have any question regarding the validity, effectiveness, or fitness of any such survivorship designation for any purpose.

### a. Joint or Multiple-Party Account with Right of Survivorship

An Account will be a Joint or Multiple-Party Account with Right of Survivorship if the Owners have so elected and indicated on any Membership Application, Account Authorization or Signature Card, or if any such card otherwise represents that the Account is held jointly with right of survivorship. All funds deposited into any such Account, including any earnings thereon, shall be owned by the Primary Member jointly with all other Owners who have signed the Application, with right of survivorship. On the death of an Owner, all

sums in the Account on the date of the death vest in and belong to the surviving Owner(s) as his or her (their) separate property and estate, subject to any lien we have for the deceased Owner's obligations to us and regardless of whether any surviving Owners have consented to such lien.

**b. Joint or Multiple-Party Account without Right of Survivorship**

An Account will be a Joint or Multiple-Party Account without Right of Survivorship if you have so indicated on any Application, or if any such instrument otherwise fails to expressly indicate that the Account is held jointly with right of survivorship or is not signed by the Party who dies. On the death of a Party, the Party's ownership of the Account passes as a part of the Party's estate under the Party's Will or by intestacy.

**3. P.O.D. (Payable on Death) Account**

A P.O.D. Account is an Account payable on request to one or more Owners during their lifetimes and upon the death of the last of those Owners, payable to one or more P.O.D. payees named in the Application executed in connection with the Account. The Owners agree that the persons named as P.O.D. payees, whether one or more, are designated as P.O.D. payees. During the Owners' lifetime, all funds paid into or deposited into the Account designated, including any earnings thereon, shall be owned by the Owners, and payment may be made upon an Owner's request, or the request of any other Party to the Account. Upon the last Owner's death (the death of the last Owner to survive), each P.O.D. payee agrees that all such funds shall be owned by the P.O.D. payees surviving, with right of survivorship. At our option, payment may be made at the request of any surviving P.O.D. payee then living, and any payment made upon the request of any surviving P.O.D. payee discharges us from any and all liability to that P.O.D. payee and any remaining P.O.D. 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 the Account funds to any P.O.D. beneficiary. You understand that a P.O.D. designation shall be ineffective with regard to an Account maintained as an Individual Retirement Account. You understand and agree, further, that a P.O.D. designation may be ineffective unless signed by all original Parties to the Account. The Credit Union makes no representation concerning the legal consequences or effectiveness of any P.O.D. designation, and you understand that you should consult with a qualified attorney if you have any question regarding the validity, effectiveness, or fitness of any such P.O.D. designation for any purpose.

**4. Convenience Account**

If an Account is established by one or more Owners in the names of the Owners as a Convenience Account, all sums on deposit in the Account are paid or delivered to the Owners establishing the Account or to any other Party to the Account (such other Party hereinafter referred to as a "convenience signer") for the convenience of the Owners opening the Account. The making of a deposit in a Convenience Account does not affect title to the deposit. An Owner establishing a Convenience Account is not considered to have made a gift of the deposit or of any additions or accruals to the deposit to a convenience signer. On the death of the last surviving Owner, a convenience signer shall have no right of survivorship in the Account and ownership of the Account remains in the estate of the last surviving Owner. If an addition is made to the Account by anyone other than an Owner establishing the Account, the addition and accruals to the addition are considered to have been made by an Owner. All deposits to a Convenience Account and additions and accruals to the deposits may be paid to an Owner establishing the Account or to a convenience signer. The Credit Union is completely released from liability for a payment made from the Account to a convenience signer before it receives notice in writing signed by a Party not to make payment in accordance with the terms of the Account. After receipt of the notice from a Party, the Credit Union may require a Party to approve any further payments from the Account. If the Credit Union makes payment of sums on deposit in a Convenience Account to a convenience signer after the death of the last surviving Owner and before the Credit Union has received written notice of the last surviving Owner's death, the Credit Union is completely released from liability for the payment. If the Credit Union makes payment to the personal representative of the deceased last surviving Owner's estate after the death of the last surviving Owner and before service on the Credit Union of a court order prohibiting payment, the Credit Union is released from liability, to the extent of the payment, to any person claiming a right to the funds. The receipt by the representative to whom payment is made is a complete release and discharge of the Credit Union.

**5. Accounts for Trusts**

At our option, we may issue shares in a revocable or irrevocable 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. Any Trustee authorized to sign on any such Account shall be subject to the terms and conditions set forth in this Agreement and any other agreement governing any such Account. 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.

## **6. Accounts for Guardianships and Estates**

At our option we may issue shares and accept deposits in the name of (i) a ward on whose behalf a Guardianship has been established under applicable law, or (ii) 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 (i) determine if the person appointed guardian or estate representative has qualified or continues to be qualified as guardian or as estate representative; (ii) determine if an act of the guardian or estate representative is in accordance with or authorized by the Texas Estates Code or other applicable law, (iii) 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 (iv) 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 presentation, 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 Estates Code or other applicable law. If we receive notice of expiration without renewal, we will have no obligation to honor any check which is presented for payment or to honor any requests for withdrawal of funds from the Account of a ward or an estate until we receive renewed Letters or other order issuing out of a Court of competent jurisdiction.

## **7. Business and Organization Accounts**

At our option, we may open an Account and issue shares in the name of a business or organization 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. To the maximum extent permitted by applicable law, the Credit Union shall not be liable for any loss occasioned by the fraud, negligence, or misapplication of funds on the part of any officer, director, employee or agent of any such business or organization. Please refer to the Illegal Transactions section below for important terms regarding unlawful Internet gambling transactions.



## **8. Accounts for Minors**

For any Account established by a minor, the Credit Union requires the Account to be a Joint Account with a parent or guardian who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or other amounts owing on such Account. As an Account Owner, the minor has the right at any time to withdraw the Account funds and/or close the Account, without regard to his or her minority and without the knowledge or consent or notice to the Joint Owner parent or guardian. Unless a parent or guardian is a Joint Owner on the minor's Account, the parent or guardian shall not have any right to access or obtain information about the Account. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or any other Account Owner. The Credit Union shall not change the account status when the minor reaches the age of majority, unless authorized in writing by all of the Account Owners.

## **9. Accounts 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 Estates 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 that 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 that we know to have expired without renewal pursuant to the provisions of the Texas Estates Code or other applicable law. If we receive notice of expiration without renewal, we will have no obligation to honor any check that 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 another order issuing out of a Court of competent jurisdiction.

## **10. Representative Payee Accounts**

At our option, we may issue shares and accept deposits in Accounts established in a member's name and for the member's benefit by an individual appointed as a Social Security, Railroad Retirement, or Veterans Administration "Representative Payee." Funds in a Representative Payee Account are owned by the member beneficiary. Only the Representative Payee, however, shall have direct access to the funds on deposit. If an Account is opened, you (whether as beneficiary or as Representative Payee) agree that we may accept deposits including direct deposits from the Social Security Administration, Railroad Retirement Board, or Veterans Administration, that we may permit withdrawals from the Account by the Representative Payee through such means as we may prescribe from time to time, and that we may restrict access to the Account by the beneficiary. You agree that the Representative Payee alone will be responsible for compliance with the Rules of the Social Security Administration, Railroad Retirement Board, or Veterans Administration governing such Accounts. You agree that if we make payment to or at the direction of a Representative Payee, any such payment shall be valid and shall discharge us from any liability for the sums paid. You agree that we may rely upon any appointment of a Representative Payee that is valid on its face, that we will have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations set forth in this Agreement, and that we will have no duty to oversee the application by a Representative Payee of any funds withdrawn from the Account. You agree

that, if any deposit to an Account is subsequently reversed, whether by the Social Security Administration, Railroad Retirement Board, Veterans Administration, or otherwise, we may transfer funds in other Accounts held by the beneficiary or the Representative Payee in order to cure any overdraft that may occur as a result of such reversal. You agree to save, indemnify, defend, and hold us harmless from any claim, demand, suit, or other charge by any person or entity arising out of or resulting from the establishment, maintenance, and transaction of any business related to a Representative Payee Account.

## 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. You agree that it will be your responsibility to verify the accuracy of information appearing on any checks, deposit slips, or other forms, and you agree that we will not be liable for any printing errors on any such forms. All checks, withdrawal forms, deposit slips, and transfer instructions used in connection with any Account must be on forms which we provide or otherwise expressly approve in writing. You agree to complete checks using a non-gel, black or dark blue ink that will readily transfer during any imaging of the check. We will not be liable, and you agree to indemnify and hold us harmless, if you fail to follow the requirements in this paragraph. If a non-member requests to cash a check drawn on your Account, we may require the non-member to present acceptable identification and, at our option, place a fingerprint on the check. If the non-member refuses to comply with our requirements, we may refuse to accept the check, and you agree that we will not be liable for wrongful dishonor. In the event that the applicable Account has sufficient available 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 first processing withdrawal orders or checks payable to the Credit Union and dishonoring or refusing any item or withdrawal order for which there are insufficient funds available thereafter. We will generally process checks and all other transaction withdrawals and transfers, such as those made by ATM, point of sale, mobile or computer, and preauthorized payments, in the order in which they are received, but we may choose to process transactions in any order in our discretion, and we may change the order in which we process transactions at any time without notice to you. To avoid fees, you should ensure that your Account contains sufficient available funds at all times to pay each of your transactions. 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. In the event that a check drawn on your Account is payable, by its terms, within a stated period of time, we are under no obligation to pay that check if it is presented after the expiration of that time period.

### 3. **Overdrafts and Overdraft Protection**

We pay checks and allow other transactions and withdrawals on your Account based on the “available balance.” More information about the available balance is provided below in this section. The availability of funds in your Account may be delayed or reduced as provided in this Agreement, the Funds Availability Policy Disclosure, the Electronic Fund Transfers Agreement and Disclosures, the Mobile Deposit Service Agreement, and for other reasons such as legal holds.

#### a. **What is an Overdraft?**

An overdraft occurs when a check, electronic Automated Clearing House (ACH) payment, ATM or check card transaction, or any other payment you have made is presented to the Credit Union for payment, but sufficient funds are not available in your Checking Account to pay the transaction. In such a case, the payment would normally be returned to the payee or denied for insufficient funds, and you may be charged a Non-Sufficient Funds (NSF) fee. With our overdraft protection services, however, the transaction can be paid using available funds from your Savings Account or a Line of Credit Loan Account or, if you have qualified, with our discretionary Courtesy Pay service. You may incur fees as set forth in our Fee Schedule for using our overdraft protection services, so you should always take care to avoid creating any overdraft. The

following terms explain how our overdraft protection services work.

**b. Overdraft Protection Services**

We offer three levels of overdraft protection. The first level includes our Share Overdraft Protection Transfers service and our overdraft protection from a Line of Credit Loan service. These services transfer available funds from your designated Savings Account or Line of Credit Loan to pay a transaction when your Checking Account does not have sufficient available funds. We determine whether sufficient funds are available when the transaction is presented to us for settlement. A fee as set forth in the Fee Schedule or your Line of Credit Loan Agreement will apply for transferring funds from your Savings Account or Line of Credit Loan, as applicable. This fee is less than the fee for the Courtesy Pay service described below. To use this service, you must opt-in on the Application or other form we have designated. To use your Line of Credit Loan as a source of overdraft protection, you must have an approved Line of Credit Loan with us and designate it to provide overdraft protection when you opt-in. The second level of overdraft protection is called Courtesy Pay. This service is automatically extended to eligible members. Courtesy Pay is provided pursuant to our discretionary Courtesy Pay Policy as a non-contractual courtesy. It is not a line of credit and it is not guaranteed. However, in the event you write a check or initiate an ACH, online bill payment, or recurring check card transaction and sufficient funds are not available in your Checking Account to pay the transaction, and if there are no other sources of overdraft protection available, we will strive to pay your reasonable overdrafts if your Account is in good standing and you continue to meet eligibility requirements. The third level of overdraft protection extends the Courtesy Pay service to your ATM and everyday (one-time) check card transactions. To use this service, you must affirmatively opt-in to Courtesy Pay for ATM and everyday check card transactions by completing an opt-in form. Both levels of the Courtesy Pay service will charge a Courtesy Pay fee as set forth in the Fee Schedule when a transaction is paid using the service. The amount of approved for your Checking Account may vary and is subject to change at any time based on certain membership factors such as age of Account, deposit activity and history, and overdraft activity and history, including repayment history. If you no longer want an overdraft protection service in which you are enrolled, you may opt-out of any level at any time by calling or writing to us. Please refer to our Courtesy Pay Policy for eligibility requirements and additional information about the Overdraft service.

**c. Actual and Available Balances**

In order to properly manage your Checking Account to avoid overdrafts and resulting fees, it is important to understand that your Checking Account has two kinds of balances: the “actual balance” and the “available balance.” Funds used to pay your transactions may be limited based on the available balance. We use the available balance to determine if your Account will be overdrawn. You can check the amount of your actual balance and your available balance when you review your Account online through our home banking and mobile banking systems, using our audio response system, at most ATMs, and by calling us or visiting a branch office. You must be enrolled in the foregoing electronic fund transfer services in order to check your balance through those services.

The actual balance of your Account is the actual amount of money that is in your Account at any given time. The actual balance reflects transactions that have been posted to your Account. It does not reflect transactions that are pending. For example, if you have \$50 in your Account and you write a check for \$40, then your actual balance remains at \$50 until the check is presented and posted to the Account. The actual balance does not reflect the pending check while it is in transit to us. The actual balance also does not reflect other items that have not yet been posted to your Account, such as a remotely deposited check that has been submitted for deposit and is under review.

The available balance is that part of the actual balance that is available for you to use without incurring Share Overdraft Protection Transfers or Courtesy Pay fees. The available balance takes into account holds placed on Account funds such as check deposit holds under our Funds Availability Policy, holds for pending check card transactions that have been preauthorized but not yet posted, and legal holds. For example, if you have \$50 in your Account and you use your check card at a restaurant for \$20, then the merchant may ask us to preauthorize the \$20 payment. When that happens, we will place a hold on your Account for \$20 and your available balance will be reduced to \$30, even though your actual balance will remain at \$50 until the transaction posts or the hold is released. Funds subject to a hold are not available to pay checks, check card, online bill payments, ACH, and other transactions. Please refer to the Electronic Fund Transfers Agreement

and Disclosures for more information about check card preauthorization holds. You should also keep in mind that the available balance may not always reflect all outstanding pending payments such as checks that you have written that have not cleared on your Account. Additionally, the available balance may not always reflect outstanding debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time check card transaction for payment within three business days of the preauthorization, we must release the hold. In such a case, the available balance will not reflect the outstanding transaction until we receive it and post it to the Account. **As a result, you must carefully track of all of your transactions to ensure you have sufficient funds available in your Checking Account when the transactions are presented to us. Failure to do so may cause you to incur overdraft fees.**

**d. Payment Order of Transactions**

The order in which we process checks and other withdrawal orders (collectively, “Items”) may also affect the total amount of overdraft and other fees that may be charged to your Account. Items may not be processed in the order made. While we may choose to process Items in any order we choose, subject to applicable law, our general policy is to pay Items as we receive them. We typically receive Items to be processed against your Accounts multiple times per day in what are referred to as presentation files. Each presentation file contains a large amount of a specific type of Item (for example, checks, ACH, or ATM/Point-of-Sale (POS)). These presentation files may contain multiple Items to be processed against your Account. In those cases where multiple Items are received at the same time, the Items will generally be paid as follows, subject to our reservation of right to pay checks and other withdrawal orders payable to the Credit Union first, as set forth in the Payment Authorization section of this Agreement: Checks are paid in order of the check number, from lowest to highest. We will post credits from ACH files first, then ACH debits by dollar amount, from lowest to highest. ATM/POS Items are paid in the order they are presented. Transactions performed in person, such as withdrawals or checks cashed at our branch offices, are generally paid when they are performed. Our payment policy may cause your larger Items not to be paid first (such as your rent or mortgage payment), but this payment order may reduce the amount of overdraft and other fees you may have to pay if sufficient funds are not available to pay all of your Items. Please refer to the Payment Authorization section for additional terms regarding payment order of Items.

**e. General**

You agree to maintain sufficient available funds in your Accounts at all times sufficient to pay any withdrawal order (whether oral, written or otherwise), or any item presented for payment against the applicable Account. We are under no obligation to pay any order or item, (i) the amount of which exceeds the available balance of the Account upon which that order was made or item was drawn, or (ii) which would exceed limitations imposed upon the applicable Account under our policies and procedures or under applicable law. 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 (including a direct deposit of Social Security or other governmental benefits), to withhold amounts from any other Accounts sufficient to cover any overdraft and overdraft fees, or to use any other collection remedy available to us at law. Each Party to any of your Accounts will be jointly and severally liable for overdrafts caused by any other to the Account. In the event that the Credit Union reasonably believes that your use of your Account or Accounts is abusive due to excessive checks drawn or other payments ordered on insufficient available funds, excessive activity, or otherwise, your Account may be closed.

#### 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 are not responsible for refusing to honor a transaction if we believe the authorizing signature is not authentic. We may recognize facsimile signatures, signatures imprinted by mechanical devices or any other method of authentication, including orders to pay that are received electronically or telephonically. You agree to indemnify and hold us harmless from any losses resulting from our honoring an item which bears or purports to bear a facsimile signature resembling a facsimile signature on file with us, regardless by whom or by what means the actual or purported signature was affixed to the item. You agree that we may deny any Party the right to withdraw funds from an 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 indorsed "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, due to our automated check processing procedures, which are designed to process the greatest volume of items at the lowest cost to you, we may disregard any information on any check or draft other than the amount of the item, any magnetically encoded information, the identity of the drawee bank, and the signature of the drawer, whether or not that information is consistent with any other information on the item. This includes any legends appearing on a check, but not encoded on the MICR line, even though those legends may be important for your own purposes. 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 we 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 may 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 the NACHA Rules we are not required to give you next day notice of the receipt of an ACH entry and we will not do so, nor will we give next-day notice of the receipt of a wire transfer. However, we will notify you of these transfers 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 payment order. 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 may rely upon any identifying 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 has a duty to determine whether the number given matches the intended beneficiary or the named financial institution. If we receive a payment order for you that does not specify an Account or an Account suffix, you agree that we may deposit the payment into any Account of yours, including a Joint or Multiple-Party Account.

**e. Our Liability; Interest Payable**

We may be responsible for your actual losses or expenses, to the extent recoverable under Chapter 4A or other applicable law, if we fail to exercise ordinary care in carrying out your instructions in connection with a wire transfer transaction. We are not responsible for the acts or omissions of third parties through whom payment orders are sent, even if those parties have acted as our agent. We are not responsible for detecting errors in any wire transfer or other payment order provided to us. In no event will we be liable for any special, indirect, exemplary, or consequential damages (including lost profits) of any kind arising out of a wire transfer transaction, even if we have been advised or should have known of the possibility of such damages. We are not required to pay interest on any amount we may owe to you due to an unauthorized wire transfer arising out of our error unless you exercise ordinary care to discover the unauthorized transfer promptly and advise us of the relevant facts within the time period set forth below in the Account Statements paragraph. 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. You agree to indemnify and hold us harmless from any cost, liability, expense (including reasonable attorney's fees) arising out of any claim by a third party alleging that any payment order of yours contravenes or compromises the rights, title, or interest of any third party or contravenes any law, rule, regulation, ordinance, court order, or other mandate or prohibition with the force and effect of law ("Claim"), unless the Claim arises out of our failure to exercise ordinary care, failure to act in good faith, or failure to act in accordance with your instructions given pursuant to this Agreement.

**f. Security Procedures**

We reserve the right to refuse to accept any wire transfer or other payment order. 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 may include a combination of 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. You agree that these procedures are commercially reasonable in view of your particular circumstances and the type and frequency of payment orders contemplated by you. If you do not agree to our security procedures, you must notify us in writing. In such event, we shall have no obligation to accept any payment order from you or any other authorized Parties to the Account until you and the Credit Union agree, in writing, on an alternate security procedure.

**g. Cutoff Times**

Transfers, payment orders, and communications canceling or amending payment orders which are received after our cutoff time as set forth on our Fee Schedule 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. Except as otherwise provided in this paragraph (g), transfers, payment orders, and communications canceling or amending payment orders received after our cutoff time on each weekday we are open may be treated as having been received on the next banking day and processed accordingly. Wire transfers and other payment orders generally may not be amended or canceled after we have accepted them, except that international wire transfers and other international payment orders may be amended or cancelled for up to 30 minutes after the time of acceptance. In all other cases, if we accept a request to amend or cancel a wire transfer or other payment order after acceptance, we will attempt to effect your request, but we make no guarantee that any such attempt will be successful.

**h. Force Majeure**

We are not liable for a failure to execute a payment order according to your instructions if an interruption in communication facilities or some other circumstance beyond our control such as fire or flood prevents the transfer, despite reasonable precautions we have taken. We will promptly notify you of the failure or delay, however, and will complete the transfer as soon as possible.

**i. General**

Your contractual agreement for wire transfers, ACH, and other payment order transactions may provide for additional terms and conditions. You agree that only our forms, methods, and procedures may be utilized. You also agree that in the event of an error, we may correct any such error without prior approval by you. If we are required to reimburse the U.S. government for a benefit payment made to your Account by direct deposit, we may deduct all or part of the amount owed from any eligible Account on which you have an ownership interest, subject to applicable law. 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 item 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. We are not required to notify you of the expiration of a stop payment order or a renewal of any such order. 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 the office we have designated and until we have had a reasonable opportunity to act on it. In addition, we will not be liable for the payment of an item over a stop payment order if the order is received after 10:00 a.m. on the next banking day after the banking day on which we received the item. Due to computer programming constraints, our systems can intercept items subject to stop payment orders only if the precise amount, date, check number, name of payee and any other information that we may reasonably require is provided. If that information is not provided exactly as it appears on the item, we will not be responsible if we are unable to stop payment. Any stop payment order, renewal or revocation will incur a charge which is set forth in the Fee Schedule. 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 teller's checks or transactions initiated through the use of an ATM card or similar device used at an ATM. For information concerning your right to stop payment of pre-authorized electronic fund transfers, please refer to our Electronic Fund Transfers Agreement and 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 the transfer of funds in satisfaction of overdrafts. In this Agreement, "ordinary care" means observance of banking industry practices that do not vary unreasonably from the general banking practices prevailing in the areas we service. Subject to applicable law, you agree that we will never be liable for any indirect, special, or consequential damages arising out of or related to our obligations under this Agreement, even if we have been advised of the possibility of such damages. If we pay an item over a forged drawer's signature, we will not be liable for more than the face amount of the item, subject to applicable law. Except for our acts and omissions caused by our (a) failure to exercise ordinary care, (b) willful misconduct, or (c) breach of this Agreement, you agree to indemnify, defend, and hold us and our officers, employees, and agents harmless from and against any losses, claims, or expenses, including attorney's fees and costs of litigation, arising out of or related to the services provided under this Agreement, subject to applicable law. You also agree to indemnify, defend, and hold us and our officers, employees, and agents harmless from any and all claims, expenses, losses, and damages arising out of our good faith reliance on any instructions provided by you. We will not be liable for the acts or omissions of a third party not within our control, and we will not be liable for any failure or delay in performance under this

Agreement that is related to or caused by circumstances beyond our control.

## DEPOSIT OF ITEMS

### 1. Handling of Items

We reserve the right to refuse any item for deposit into your Account. 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 or order is actually received. If accepted, items drawn on financial institutions located outside of the United States are handled on a collection basis only. We reserve the right to send any other item on a collection basis only. Just because we have made funds from a deposited check or other item available for withdrawal does not mean that the item is “good,” has “cleared,” or has been paid by the paying bank. It is possible that a deposited item will be returned unpaid months after we have made the funds available and you have withdrawn the funds. You are responsible for all items returned on your Account, and you acknowledge that no one, including our employees, can guarantee that a check or other item you deposit will not be returned. We are not responsible for any deposit or other transaction initiated by mail until the item or order 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 indorse 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, without notice, 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 agree that we may resubmit an item that has been returned to us for payment, and you waive notice that an item has been dishonored or charged back against your Account. A Deposited Item Return Fee as set forth on the Fee Schedule may be charged each time a resubmitted item is returned to us. 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.

You acknowledge that we employ an automated collection procedure in order to more efficiently handle the high volume of items we process. This automated procedure does not provide for sight-review of items, which reduces costs for all members. You agree that we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight-review of items.

### 2. Indorsement Standards

The area from the trailing edge of a check to 1.5 inches from the trailing edge of a check is reserved for the payee’s indorsement. The trailing edge of a check is defined as the left side of the check looking at it from the front. You and all other indorsers must make your indorsement within this prescribed area. If any indorsement or other writing which you or any other endorser makes causes any error or delay in the processing of the item, you agree that you will be liable for any loss which we incur as a result of that delay or error, and you agree to hold us harmless from any such loss. We are not required to recognize indorsement restrictions limiting payment to a particular person or prohibiting further transfer or negotiation of the instrument, and we will not do so.

### 3. Right to Refuse Deposit

We reserve the right to refuse any item for deposit into your Account. If you request that we accept a substitute check or a check for a deposit that has already been deposited at a financial institution but returned, we are under no obligation to accept any such check for deposit. If we do, however, you agree to hold us harmless from any



loss or liability, including consequential damages, attorney's 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.

## **GENERAL PROVISIONS**

### **1. Electronic Signatures and Records**

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

### **2. Account Security**

You agree to exercise precautions to safeguard your identity, your Accounts, and your Account information, including without limitation, maintaining up-to-date malware and anti-virus software and all operating system updates on your computers and other devices used to access our electronic services. You agree never to give your personal information or Account information to anyone you do not know or whose identity you cannot verify. If you give your personal information to someone and that person uses your information to access your Account, you agree that such use will be deemed an authorized use for which you will be responsible. We will never contact you and ask you to give us your Account information, including user names, personal identification numbers, and Account numbers, over the telephone, by e-mail, or by text messaging. You agree not to disclose your personal information and Account information to unknown persons through these mediums for any reason. You agree to remain vigilant for phishing and other fraudulent scams and notify us promptly if you become aware of or suspect fraudulent activity involving your identity, your Accounts, or the Credit Union. If you receive an email, text, or other communication that appears to have been sent by the Credit Union and asks for your personal or Account information, you agree not to respond to the message and notify us immediately. If you fail to exercise reasonable care to protect your identity and safeguard your Accounts, we will not be liable unless required by law.

### **3. Taxpayer Identification Number and Backup Withholding**

The Internal Revenue Service (IRS) requires most recipients of dividends, 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 a percentage 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 (i) 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 (ii) 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.

#### 4. **Inactive Accounts**

Subject to any additional terms appearing on the Fee Schedule, we may charge an Inactivity Fee as set forth in the Fee Schedule if your Account becomes inactive. We may waive this fee for certain members such as minors under the age 18. You authorize us to charge the Inactivity Fee to any eligible Account of yours. An Account is considered 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 corresponded in writing with us. For Texas residents, a Checking, Savings (including Money Market), or matured Term Share Certificate Account is presumed abandoned if (i) 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 (ii) we are unable to locate you. If you live in a State other than Texas, we will follow the unclaimed property laws of your State. If an Account is presumed abandoned or unclaimed property, we are required to report the abandonment or unclaimed property and pay the Account funds to the State of your last known address.

#### 5. **Account Statements**

You are responsible for promptly examining each Account Statement we provide or make available to you. Any objection that you may have respecting any unauthorized withdrawal, any payment order (including a wire transfer), or any item or deposit shown on or missing from a statement, except for electronic fund transfers and claims related to substitute checks, will be waived unless made in writing to us, and received on or before the 35th day following the date the statement is mailed or otherwise made available, subject to applicable law. If you have an issue relating to a substitute check, you must notify us in writing within 60 days of the date we mailed or delivered the substitute check in question or the Account statement showing the substitute check posted to your Account, whichever is later. If you are unable to make a timely claim relating to a substitute check because of extraordinary circumstances, we will extend the time period. You agree that we will not be liable for any forged, unauthorized, or altered item drawn on or deposited to your Account, any payment order, any item with missing signatures or indorsements, any missing or diverted deposit, or any other error or discrepancy if you fail to notify us within that 35-day period (60 days for substitute checks), nor will we be liable for any forged, unauthorized, or altered item if the forgery or alteration is not readily ascertainable upon inspection. We also will not be liable for subsequent unauthorized withdrawals by the same wrongdoer if you fail to notify us of the first unauthorized withdrawal within the 35-day period, even if the subsequent unauthorized withdrawals are reported promptly. You agree that no legal action may or will be instituted by you against us seeking the recovery of any alleged loss as a result of the payment of a forged, unauthorized, or altered item, or as a result of any missing or diverted deposit, or due to any other error or discrepancy unless you have provided us with such notice within the period prescribed above and any such legal action shall have been instituted within two years after the date that the statement containing any such error was mailed or otherwise made available to you. For consumer Accounts, refer to your Electronic Fund Transfers Disclosures to determine your notification obligations in the event of unauthorized electronic fund transfers or other errors in connection with such transfers. Some errors related to consumer international payment orders (“remittance transfers”) may be subject to different notification obligations as disclosed at the time remittance transfer services are provided.

The Funds Availability Policy included with this Agreement discloses your notification obligations for claims related to substitute checks.

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 will receive an Account statement monthly for your Checking Accounts. You will receive an Account statement at least quarterly for your Savings Accounts. It is your responsibility to ensure that your statements are received, and you agree that we will not be responsible for the loss or theft of your statements. You agree to notify us immediately if you fail to receive a statement for your Checking Accounts monthly or a statement for your Savings Accounts at least quarterly. We are only required to provide the Account statement, notices, and other communications to the Primary Member on the Account who is responsible for providing Account statement and all other notices and communications to all other Account Parties. Notice to one of you shall be considered notice

to all. You acknowledge that any person your Account statement is provided or made available to may have access to Account information for all of your Accounts, even if the person is not authorized on the Account, and we are not responsible for such access. Unless we have agreed otherwise, we will mail or deliver your Account statement to the most recent address or other agreed location we have for you in our records. You agree to notify us promptly if you move, change your address, or if any other contact information such as your name, telephone number or e-mail address is changed. You agree that we may change your address of record if we receive an address change notice from the U.S. Postal Service or if a third party in the business of providing correct address information notifies us that your address of record is inconsistent with the address the third party has for you. It is your responsibility to ensure that your statements are received, and you agree that we will not be responsible for the loss or theft of your statements. You agree to notify us immediately if you fail to receive a statement for your Checking Accounts monthly, or a statement for your Savings Accounts at least quarterly. It is important that you make note of the time each month or quarter that you regularly receive your statement. You agree to notify us immediately, and in any event within ten days of that time if you fail to receive your statement.

## 6. **Illegal Transactions**

You agree to comply with applicable law in maintaining your Accounts with us, including without limitation United States economic sanctions laws and regulations issued by the United States Department of Treasury, Office of Financial Assets Control, and Presidential Executive Orders. We are prohibited from processing illegal transactions through your Accounts or through our relationship with you, including unlawful Internet gambling transactions. You agree that you will not cause or allow your Accounts to be used in any manner or for any transaction that we believe poses an undue risk of illegality and we may decline to accept any such use or transaction. If you engage in illegal transactions or unlawful activity, we also may impose restrictions on your Account, including restricting your access to Account services or we may close your Account. If you use your Account relationship or engage in a transaction that is determined to be illegal, you will be liable to us. You agree to waive any right to take legal action against the Credit Union for your illegal use of your Account and to indemnify and hold the Credit Union and any third-party processors harmless from and against any lawsuits or other legal action or liability that results directly or indirectly from such illegal use or transactions.

If you open a corporation, partnership, or organization Account, or any other kind of business Account with us, you agree to certify to us at Account opening, and if requested annually, that (a) you do not engage in an Internet gambling business or (b) you have legal authority to engage in an Internet gambling business. You agree to cooperate with us and provide any documentation we may reasonably require in order to substantiate your certification. You authorize us to investigate the Account Owner, the principals of the business, and the authorized signers' background, including any current or previous financial institution and payment processor references. You also agree to notify us immediately if at any time your business or organization changes in any way that causes any prior certification to be inaccurate. If you certify to us that you have legal authority to engage in an Internet gambling business, you acknowledge and agree that we may refuse to open the Account or choose to close an existing Account in our sole and absolute discretion.

## 7. **Legal Process**

You authorize the Credit Union to recognize and honor process issued against you from any jurisdiction or state. You agree that we may debit your Account for charges and costs, including attorney's fees, in connection with document review, 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 to the extent not otherwise prohibited by law. You agree that any levy, attachment, or garnishment against your Account will be subject to our contractual and statutory liens set forth below, and you authorize us to exercise those liens whether or not any outstanding obligation is in default, subject to applicable law.

## 8. **Statutory Lien**

Federal law grants us the right to impress a lien on all funds in any Account that you have with us if you are in default or otherwise fail to satisfy a financial obligation with us. We may exercise this right without further notice to you. This lien applies to all Accounts that you have with us, to the extent permitted by law, including accounts that you hold jointly with another person.

## 9. **Contractual Lien**

In addition to any lien we have as a matter of law, you grant us a contractual lien on all shares, deposits, 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 or other applicable law. 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. If you are in default or otherwise fail to satisfy a financial obligation with us, you agree that we may exercise our lien and apply the entire amount in any such Account against the indebtedness of any Party owing to us, notwithstanding the interest of any other Owner on the Account and without notice. You agree to pay us for expenses and costs, including attorney's fees, that 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 results in there being insufficient available funds in the Account to honor such items. If we cash a check for you over the counter at your request and any such check is subsequently returned unpaid for any reason, you agree that we may charge the amount of the item against your Account, and in accordance with the Fee Schedule, a fee may be imposed for the return item. 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.

## 10. **Withdrawal Restrictions; Dispute Resolution**

If (i) we suspect that fraudulent misconduct is taking or has taken place with respect to any Account, (ii) we are uncertain about transactions taking place on your Account and we are unable to contact you, (iii) we are notified that a Party to an Account has died or is incompetent to manage his or her affairs, (iv) 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, (v) there are competing claims to funds on deposit, (vi) we are in doubt concerning the respective interests of any Parties to an Account or any other persons claiming an interest in the Account, we may restrict withdrawals from the Account and other Account transactions 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 or by speaking to you. You agree 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.

## 11. **Power of Attorney**

We may decline to accept any power of attorney as permitted by applicable law. Further, even if we accept a power of attorney for a member's file or for a particular transaction, that does not mean that we will accept it for a future transaction. We reserve the right to refuse a power of attorney at any time and for any transaction as permitted by applicable law, even if the requested transaction is expressly within the scope of the agent's powers. If we accept a power of attorney, we may continue to honor it until we receive written notification of its revocation from a competent authority and have had a reasonable time to act on it. Any agent acting under a power of attorney agrees to cooperate with us and provide any documentation we may reasonably require in order to substantiate the agent's continuing authority. We may inform any Joint Owners of the use of a power of attorney on your behalf.

## 12. **Suspension or Termination of Services**

In the event that any Credit Union member or other Party becomes delinquent on any obligation to the Credit Union, causes a loss to the Credit Union, or makes known 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

or other Party has been abusive in the conduct of his or her affairs with the Credit Union, it is our policy to restrict or withdraw member services otherwise extended to the member and/or other Party, including but not limited to the right to maintain Accounts (except a primary Savings Account) and the availability of electronic fund transfer services, including without limitation, preauthorized transfers, telephone, computer, and mobile access services, and ATM and Check Card services, and you agree that we may do so. An abusive Party is subject to further sanctions as appropriate, including without limitation, denial of specific services that involve personal contact with Credit Union employees, denial of access to Credit Union facilities, a recommendation of expulsion from Credit Union membership, and any other action deemed necessary under the circumstances which is not expressly precluded by the Federal Credit Union Act, the Regulations Issued by the National Credit Union Administration, and the Credit Union's Bylaws. Any electronic access restrictions we may impose under this section may apply to all of your Accounts. In certain circumstances, some services may be reinstated if any loss caused to the Credit Union is subsequently cured.

### 13. **Closing the Account**

The Primary Member may close an Account at any time. The Primary Member's 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. If we pay any item or payment order after your Account is closed, you agree to reimburse us. 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 (i) any of the events set forth in the preceding paragraphs 8 or 10 should arise, (ii) the Credit Union believes it may suffer a loss if the Account is not closed or we believe that the volume of Account activity exceeds that which we can reasonably and safely process, (iii) the Credit Union determines that any party to the Account or claiming an interest in the Account has been abusive in the use of the Account or in the conduct of his/her affairs with the Credit Union (iv) our attempts to verify your identity have failed, (v) you do not cooperate with our reasonable requests in connection with maintenance of your Account, or (vi) there has been a change in Account ownership or a change with regard to the persons authorized to sign on the Account.

### 14. **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 upon establishing the minimum initial share balance of \$25. Membership in Allied Federal Credit Union is not transferable. The Credit Union reserves the right to require not more than 60 days' notice for a withdrawal from a Share or Deposit Account. It is our policy that your Credit Union membership is subject to termination if you fail to complete payment of one share within six months of admission to membership, or within six months from the increase in the par value of shares, or if your share balance is reduced below the par value of one share and you do not increase the balance to at least the par value of one share within six months of the reduction. Your Credit Union membership is additionally subject to termination if you do not participate in the affairs of the Credit Union, including without limitation, voting in annual credit union elections, purchasing shares, and obtaining Credit Union loans from time to time. Unless expelled from membership, members have a right to maintain a membership Savings Account and to vote in annual and special meetings.

### 15. **Death or Incompetence of Account Owner**

You agree to notify us promptly in the event of any death or adjudicated incompetence of any Party to your Account. We may continue to accept deposits to an Account, pay items drawn against an Account, 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 Owner, once we are notified of an Account Owner's death, 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 the funds transferred to the surviving Joint Owner's account.

16. **Attorney's Fees and Other Costs**

In addition to any other rights we may have at law or under this Agreement to recover fees and costs, we shall be entitled to recover reasonable attorney's fees and other costs expended in connection with the enforcement of this Agreement, compliance with applicable law with respect to your Account, and the defense of any rights we may have under this Agreement, and you authorize the Credit Union to deduct any such costs or expenses from your Account without prior notice to you.

17. **Amendment**

We may add to, change, or delete any of the terms of this Agreement, including the Truth-in-Savings Account Disclosures and Rate and Fee Schedules, and any notice, agreement, policy, or procedure made a part of this Agreement, from time to time in our sole discretion, subject to such notification as required by applicable law.

18. **Severability**

If any provision of this Agreement shall be declared invalid, unenforceable or illegal, or void as against public policy by a court, administrative agency, or any other authority of competent jurisdiction, that provision will not affect the validity, enforceability or legality of any other provision.

19. **Reopened Accounts**

Should your Account be closed at any time or number of times by withdrawal of the balance of the Account and later re-opened 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.

20. **Governing Law**

This Agreement shall be governed by the Federal Credit Union Act, the Rules and Regulations of the National Credit Union Administration, the Credit Union's Bylaws, and solely to the extent not preempted by federal law, the laws of the State of Texas, without regard to its conflict of laws provisions. Subject to applicable law, you acquiesce and submit to personal jurisdiction in the State of Texas. Venue is proper in Tarrant County, Texas.

21. **WAIVER OF RIGHT TO JURY TRIAL**

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

22. **WAIVER OF CLASS ACTION PARTICIPATION**

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

23. **Credit Reports**

You authorize us to obtain and verify your credit and employment history, and to request and use credit reports when considering any Application to open an Account or for related financial services. **We may report information about your share and loan accounts to credit bureaus. Late payments, missed payments, or**

**other defaults on your accounts may be reflected in your credit report.** If you believe that information we have reported or may report to a credit bureau is inaccurate or incomplete, please notify us in writing at:

**Allied Federal Credit Union  
Attn: Collections  
909 West Sanford  
Arlington, TX 76012**

Include your name, address, home telephone number and Account number and identify the information you believe is incorrect. If your notification relates to an incident of identity theft, we will require a copy of your identity theft report filed with law enforcement authorities.

**24. Direct Disputes of Information Appearing in Credit Reports**

You may dispute directly to us any information contained in a credit report that pertains to an account or other relationship we have or have had with you. We will investigate such disputes if you notify us in writing at any address for us that appears in the credit report or at the following address:

**Allied Federal Credit Union  
Attn: Loan Department  
909 West Sanford  
Arlington, TX 76012**

In your letter, you must include sufficient information for us to identify the Account or other relationship in dispute, and you must identify the specific information you are disputing and explain your basis for the dispute. You also must provide all supporting documentation or other information we may reasonably require to substantiate your dispute. If you do not comply with these requirements, we may decline to investigate your dispute.

**25. Assignment**

You may not assign your Account or this Agreement, or any of your rights under this Agreement, without our express written consent, which we may withhold in our sole and absolute discretion.

**26. Headings**

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

**27. No Waiver of Rights**

We do not waive any of our rights or remedies under this Agreement unless we agree to any such waiver in a writing signed by us. If we delay or omit to enforce any of our rights or remedies under this Agreement, such delay or omission shall not operate as a waiver of such rights or remedies or any other rights or remedies. A waiver on any one occasion shall not prevent us from enforcing our rights and remedies on future occasions.

**28. Confidentiality**

Protecting your privacy and the security of your personal information is of the utmost importance to us. Our privacy and security practices are explained in our Privacy Notice. We will only disclose your personal information to nonaffiliated third parties (i) as necessary to carry out or complete transactions you have requested, including verifying the existence of sufficient funds, (ii) on your written instructions, and (iii) as otherwise permitted or required by law, such as in connection with court orders or subpoenas.

**29. Cooperation in the Investigation of Claims of Unauthorized Activity**

If you submit a claim of unauthorized activity relating your Account, you agree, on our request, to (a) adequately describe your claim in writing in a signed affidavit, declaration under penalty of perjury, or any related form that we provide, (b) file a police report, and (c) cooperate with us in all respects in the investigation of your claim,

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

### 30. **Communications**

To ensure quality service, telephone calls and other communications between you and us may be monitored and recorded. Additionally, if you provide a telephone number or an email address to us, you represent and warrant that you are the subscriber, customary user, or owner of any such telephone number or email address. When you provide your cell phone and/or email address, you authorize us and/or our service providers to contact you through those means to service your accounts and to provide general information, even if any telephone number you have provided may be on a state or federal do-not-call registry or similar list. We may contact you by voice, text messaging, or email. Message and data rates may apply. Some of our systems may use an automated dialer or prerecorded voice to deliver messages. If you provide your email address, you agree that we may send email messages concerning member benefits available to you. You may opt out of email messages at any time by following the instructions in the email. You must promptly notify us if any telephone number or email address you have provided changes or if you transfer your telephone number to another person or release it to your phone company, and you agree to hold us harmless for any failure to do so.

### 31. **Text Message Disclosure**

By providing your cell phone number, you have provided us with consent to send you text messages in conjunction with the services you have requested. Your cellular provider's Message & Data Rates may apply to our confirmation message and all subsequent messages.

You understand the text messages we send may be seen by anyone with access to your phone. Accordingly, you should take steps to safeguard your phone and your text messages if you want them to remain private.

Please notify us immediately if you change mobile numbers or plan to provide your phone to another person.

If we modify our Text Message Policy, we will notify you by sending you a text message with a link to the new policy. We may terminate our text message program at any time.

If you have any questions about this policy, would like us to mail you a paper copy of our policy or are having problems receiving or stopping our text messages, please contact us using the following information:

Allied FCU  
200 SE Green Oaks Blvd  
Arlington, TX 76018  
817-856-444

You agree and consent to be contacted by AFCU, our agents, employees, attorneys, affiliates, subsequent creditors, loan servicing companies, and third-party collectors through the use of email, and/or telephone calls and/or SMS text messages to your cellular, home or work phone numbers, as well as any other phone number you have provided in conjunction with this account, including the use of automatic telephone dialing systems, auto-dialers, or an artificial or prerecorded voice.

#### Opt-out or STOP

This policy applies to the text messages sent by Allied FCU to our members while and after they use our product. If you wish to stop receiving text messages from us, reply to any text message we have sent you and, in your reply, simply type STOP. Your stop request will become effective one (1) business day. You may also stop text messages by calling us or mailing us, using the following information:

Allied FCU  
200 SE Green Oaks Blvd  
Arlington, TX 76018  
817-856-4444



In general, the messages we send provide you with information about your account. Some of the text message we send may include links to websites. To access these websites, you will need a web browser and Internet access.

# ELECTRONIC FUND TRANSFERS AGREEMENT AND DISCLOSURES

**Telephone Number for Notification of Unauthorized Use, Stop Payment of Preauthorized Transfers, and Error Resolution: (817) 856-4444 (during business hours)**

**To Report Lost or Stolen ATM Card or VISA Check Card: (817) 856-4444 (24 hours)**

## AGREEMENT

### 1. General

In this Agreement and Disclosures (“Agreement”), the words “you,” “your,” and “Party” refer to (i) any person to whom an Allied Federal Credit Union ATM Card or Visa® Check Card (collectively “Card”) is issued, (ii) any person to whom a Personal Identification Number or password (collectively, “PIN”) is issued in connection with any such Card or any other electronic fund transfer service such as the Connex-us Telephone Transfers service and the Internet Virtual Branch Home Banking Services, (iii) any person authorized to use or given access to use any such Card, PIN, or other Electronic Fund Transfers (“EFT”) Service, and (iv) any Owner or other Party on any Credit Union Account which may be accessed by way of the Card, PIN, or a Service. The words “we,” “us,” “our,” and “Credit Union” mean Allied Federal Credit Union. Capitalized terms used in this Agreement but not defined herein shall have the same meaning as in the Account Agreement. You agree that any use of EFT service by you shall be governed by the terms and conditions set forth in this Agreement, as well as the terms of the Account Agreement, our policies and procedures, and any other agreements, disclosures, instructions, or FAQs (collectively, “Other Agreements”) provided to you in connection with the Electronic Fund Transfer Services (“Services” or “EFT Services”), all of which are incorporated into this Agreement by reference. If you arrange for direct deposit or any other type of preauthorized electronic payments or credits to your Account, those Services also are governed by this Agreement, except for wire transfers. If the terms of this Agreement or any Other Agreements conflict with the terms of the Account Agreement, the terms of this Agreement and the Other Agreements will control.

### 2. Multiple-Party Accounts

If any of your Accounts accessed under this Agreement are Multiple-Party Accounts, all Joint Owners and any other authorized users shall be bound by this Agreement and alone and together shall be responsible for all EFT transactions to or from any Checking, Savings, or other Account as provided in this Agreement. Each Joint Owner, without the consent of any other Owner, may, and is hereby authorized by every other Joint Owner to make any transaction permitted under this Agreement. Each Joint Owner or other authorized user is authorized to act for the other Joint Owners and the Credit Union may accept orders and instructions regarding any EFT transaction on any Account from any Joint Owner or authorized user. We reserve the right to require the consent of one or more Owners before acting on the instructions of an authorized user, and we may refuse to honor EFT instructions if we receive conflicting instructions from any Joint Owners or authorized users.

### 3. Using the EFT Services

You represent that you are an Owner or other authorized user on any Account you access. You agree to follow any instructions we provide in connection with your use of the EFT Services. You are responsible for the proper operation of your personal computer or wireless device and any Internet or cellular data service used to access the EFT Services. All communications sent to us through the EFT Services are our property. We are not responsible for any charges, expenses, or other costs you may incur as a result of any use or misuse of a personal computer, wireless device, or any Internet or cellular data service used to access the EFT Services. If you should experience an interruption while conducting a transaction with a computer or wireless device, you should immediately logout of the EFT Services and login again to verify if your transaction has been completed. If you

cannot login to the EFT Services, you agree to contact the Credit Union promptly to determine if the transaction has been completed. In order to avoid duplicate transactions, you agree not to re-request a transaction performed during an interrupted session. If you conduct a duplicate transaction payable to a third party, we will not be responsible if the third-party refuses to refund the duplicate transaction amount.

#### **4. Requirements to Use the EFT Services**

You must request and receive approval to use each EFT Service. For our computer-based EFT Services, you are responsible for acquisition and maintenance of a personal computer or wireless device capable of accessing the EFT Services. You also must have appropriate software and access to Internet service and/or a wireless service plan to access the EFT Services, and you are responsible for all costs, fees, and other expenses related to your personal computer or wireless device and any access service plans, including without limitation, data charges and fees. The EFT Services may not be available on all networks or in all locations. We are not responsible for any problems or failures related to your personal computer or wireless device, Internet or cellular service provider, or any other service provider that may affect your access to the EFT Services.

#### **5. Overdrafts**

You agree that you will not use your Card, a PIN, or any other Service to withdraw or transfer funds from your Account in amounts exceeding the available balance in your Account at the time of any such transfer. Subject to any overdraft protection arrangements you have made with us, you agree that we will be under no obligation to make a withdrawal or transfer if there are insufficient available funds in your Account. The term “available funds” means your available balance, which is that part of your Account balance that is not subject to a hold and is immediately available to pay transactions presented for payment. If your Account has sufficient available funds to cover one or more but not all checks, withdrawal orders, or electronic fund transfers during any given business day, we may honor those items, allow those withdrawals, or make any such electronic fund transfers in any order we choose in our sole discretion, including first honoring any such checks, orders, or transfers payable to us, and dishonoring or refusing any item, order, or transfer for which there are insufficient available funds available thereafter. At our option, we may also post all VISA Check Card transactions during any day before posting any other checks, withdrawal orders, or other electronic fund transfers presented or made. You agree that use of the Card and/or PIN or use of any other EFT Service shall be subject to the Overdraft and Overdraft Protection provisions set forth in the Account Agreement, as well as our overdraft policies and procedures. If you have an overdraft protection agreement with us, you agree that your use of the Card and/or a PIN shall be subject to that agreement. If you wish to have the Courtesy Pay overdraft protection service extended to ATM and everyday VISA Check Card transactions, you must complete a separate opt-in authorization. We will not consider paying ATM and everyday Check Card transactions using the Courtesy Pay service unless you have separately opted-in. Please contact us for an opt-in authorization form.

#### **6. VISA Check Card Preauthorization Holds**

When you use your Visa Check Card at certain merchants such as self-service gas stations for fuel, restaurants, hotels, airlines, and rental car companies, the merchant may request a preauthorization hold from us to cover the transaction. We will place a hold on your Account for the amount of any preauthorization request, and you agree that we may do so. You will not have access to funds subject to a preauthorization hold. The preauthorization hold may be in an amount greater than the actual purchase amount, may be placed on your Account for up to three business days, not including weekend days and banking holidays, and may continue to apply for up to three business days, even after the transaction has been paid. For certain kinds of transactions, a preauthorization hold may be applied for up to 30 business days. Preauthorization holds may affect the availability of funds to pay for checks drawn on your Account and other kinds of withdrawals. In addition, even after a preauthorization hold is released, the transaction for which the hold was placed may be posted to your Account at any time. As a result, you must ensure that your Account contains sufficient available funds to pay for your VISA Check Card transactions when presented. You may incur overdraft fees if you fail to maintain a sufficient available balance to pay your transactions. You acknowledge and agree that you will be responsible for any costs or fees you may incur for dishonor of items or otherwise due to preauthorization holds.

#### **7. Security**

You agree to keep your Card and PIN and other access devices in a place of safekeeping, refrain from disclosing

your PIN to any third party, ~~and~~ refrain from writing your PIN on your Card, and refrain from recording or displaying your PIN in such a manner that it will be accessible by third parties. You agree to follow our security procedures to authenticate your identity when requesting Account access or transactions. You agree that the use of the Card or PIN by (i) you, (ii) any other applicant, (iii) any party to any of your Accounts which may be accessed by the Card, (iv) anyone you permit or authorize to use your Card or PIN, and (v) anyone to whom you disclose your PIN or give access to your Card or PIN shall be deemed an authorized use for which you shall be liable. If you authorize another person to use your PIN in any manner, your authorization is considered unlimited in amount and manner until you have notified us in writing that you have revoked the authorization and we have received it and had a reasonable time to act on it. You agree not to leave your personal computer or wireless device unattended while logged into the EFT Services, and you will promptly log off each time you finish using the EFT Services. If you enroll in the Mobile Banking Service, you agree to implement the security features of your wireless device to lock the device after a certain period of inactivity. You understand that any person having access to your Card, PIN or your equipment may be able to access the EFT Services and perform all transactions, including reviewing all available Account information and making transfers to other Accounts and persons. You will be responsible for reporting the loss or theft of your Card, PIN, or wireless or other device used to access the EFT Services to us as soon as possible after the loss or theft.

## **8. Wireless Security**

While we employ industry-leading security measures to protect your Accounts, you understand that wireless communications may not always be secure and that there are risks in accessing the EFT Services with your wireless device. Subject to applicable law, you expressly agree to assume all such risks. You agree to exercise precautions to safeguard your wireless device, your identity, your Accounts, and your Account information. You agree never to provide your personal information or Account information to any person or through any wireless network you do not know or whose identity you cannot verify. If you do, you assume all risks, subject to applicable law. We will never contact you by telephone, text messaging, email, or otherwise and ask you to provide us your personal or Account information, including your Social Security number, user name, PIN, and Account numbers. You agree not to disclose your personal information and Account information to unknown persons through those communication channels for any reason. You agree to remain vigilant for phishing and other fraudulent scams and notify us promptly if you become aware of or suspect fraudulent activity involving your identity, your Accounts, or the Credit Union. You agree to notify us immediately if you change your email address or other contact information. If you fail to exercise reasonable care to protect your identity and safeguard your wireless device and Accounts, we will not be liable, subject to applicable law.

## **9. Confidentiality**

Certain EFT services such as the Connex-us Telephone Transfers Service, Virtual Branch Home Banking, and Mobile Banking services may allow a user to obtain certain information about the Primary Owner and some or all of the Primary Owner's Credit Union Accounts, including all share and loan Account information, regardless of whether the user is an Owner or is authorized on all Accounts. The Primary Owner acknowledges and agrees that any user authorized to use a PIN to access the EFT Services will have full access to the Primary Owner's Account information available through the EFT Services, and we are not responsible for such access by such persons.

## **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. We are only required to send notices to the primary member. Notice to the Primary Member shall constitute notice to all other Account owners or authorized users. Notices from you will be effective when received by the Credit Union at the address specified in this Agreement.

## **11. No Warranty**

THE EFT SERVICES ARE PROVIDED "AS IS" AND "AS AVAILABLE" WITHOUT ANY WARRANTY OF ANY KIND. WE DO NOT WARRANT THAT THE EFT SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE. NEITHER THE CREDIT UNION NOR ANY OF ITS SERVICE PROVIDERS MAKES ANY WARRANTY ON ANY EQUIPMENT, HARDWARE, SOFTWARE, OR THE SERVICES, OR WITH RESPECT TO YOUR INTERNET OR CELLULAR SERVICE PROVIDER, EITHER EXPRESS OR IMPLIED,

INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, OR PERFORMANCE UNLESS DISCLAIMING SUCH WARRANTY IS PROHIBITED BY APPLICABLE LAW.

## **12. Limitation of Liability**

We are not responsible for any loss, damage, or injury, whether caused by your equipment, your software, or any technical or editorial errors or omissions in any material provided to you in connection with the EFT Services. If we do not complete a transfer you have requested, we may be liable to you, but only for your actual losses and damages up to the amount of the transfer. We will not be responsible for any indirect, incidental, exemplary, special, punitive or consequential losses or damages arising in any way out of the use or maintenance of your equipment, software, or the EFT Services. In States that do not allow the exclusion or limitation of liability for indirect, special, incidental, or consequential damages, our liability is limited to the extent permitted by applicable law.

## **13. Indemnification**

To the fullest extent permitted by applicable law, you agree to indemnify, defend, and hold the Credit Union, its service providers, and their respective directors, officers, employees and agents harmless from and against all costs, claims, damages, liabilities, and expenses (including attorney's fees) arising out of or related to your access to or use of the EFT Services or if you violate this Agreement.

## **14. Additional Services**

We may introduce new EFT Services or enhance the existing EFT Services from time to time. We will notify you or post to our website or Home Banking when these new or enhanced EFT Services are available. By using new EFT Services when they become available, you acknowledge and agree that those EFT Services shall be governed by this Agreement and any additional terms we may provide to you.

## **15. Denial of Services**

The use of the EFT Services is a privilege of membership and not a right. In the event that a member or any other Party becomes delinquent on an obligation to us, causes us a loss, or makes known his or her intention to cause us a loss, whether by way of loan default, Account overdraft, or otherwise, or in the event that a member or any other Party has been abusive in the conduct of his or her affairs with the Credit Union, it is our policy to restrict or terminate certain services extended to the member and/or user, including without limitation, telephone, computer, and mobile access services and ATM and Check Card services, and you acknowledge that we may do so. Any electronic access restrictions we may impose under these circumstances may apply to all of the member's Accounts. Under certain circumstances, services may be reinstated if any delinquency, loss, or other adverse matter is subsequently cured.

## **16. PIN-Less Debit Transactions**

The Card has been enabled for processing of non-VISA debit transactions without requiring PIN authentication. A "non-VISA debit transaction" is one that is processed through an ATM network and not the VISA network. PIN-less non-VISA debit transactions are known as PIN-less debits. In some cases, a merchant may automatically process your transaction as a PIN-less debit without giving you notice or a choice of how to process the transaction. Terms in this Agreement relating only to transactions processed through the VISA network, such as VISA zero liability protection, do not apply to PIN-less debit transactions.

## **17. Stop Payment**

Unless otherwise provided in any Agreement or Disclosure you receive when you arrange for a Service, you acknowledge and agree that you may not stop payment of any transaction initiated through use of a Card or a PIN.

## **18. Illegal Transactions**

You agree that you will not cause or allow the Card, a PIN, or your Account to be used in any manner or for any transaction that we believe poses an undue risk of illegality, and we may refuse to authorize any such transaction.

If you use your Card, PIN, or Account for a transaction that is determined to be illegal, you will be liable for the transaction. You also waive any right to take legal action against the Credit Union for your illegal use of the Card, and you agree to indemnify and hold the Credit Union and VISA International, Inc. harmless from and against any lawsuits or other legal action or liability that results directly or indirectly from such illegal use.

## 19. **International Transactions**

If you effect an international transaction with your Visa Check Card, the rate of exchange between the transaction currency and the billing currency used for processing the international transaction will be (i) 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 (ii) the government-mandated rate in effect for the applicable central processing date; and in each instance, plus a Foreign Transaction Fee as set forth in the Fee Schedule. This fee will apply to all international purchase, cash advance, and Account credit transactions.

## 20. **Surrender, Cancellation and Amendment**

You agree to surrender your Card to us upon demand. You agree, further, that the Card shall at all times remain our property and that we may restrict or terminate any one or more EFT Services or cancel this Agreement at any time, subject to such notification as may be required by applicable law. You also agree that we may add to, change, or delete any of the terms of this Agreement and Disclosures from time to time, subject to such notification as may be required by applicable law. You may terminate this Agreement at any time by notifying us in writing, but you will remain responsible for all transactions made or authorized by you both before and after any termination.

# DISCLOSURES

## 1. **Contact in Event of Unauthorized Transfer**

If you believe your CARD or PIN has been lost or stolen or that someone has transferred or may transfer money from your Account without your permission, call or write to us at:

Allied Federal Credit Union  
Accounting Department  
200 SE Green Oaks Blvd.  
Arlington, TX 76018  
(817) 856-4444

## 2. **Transfer Types and Limitations**

The following EFT Services are available. Each service must be requested and is subject to approval. Some Services may be subject to additional contractual terms provided when you enroll in the Service. To the extent any additional contractual terms are inconsistent with this Agreement, the additional contractual terms will control. The EFT Services may be unavailable periodically due to system maintenance or circumstances beyond our control.

### a. **Direct Deposits**

You may make arrangements for direct deposits of your payroll and other types of recurring deposits to your Checking or Share Accounts.

### b. **Preauthorized Withdrawals**

You may make arrangements to pay certain recurring bills from your Checking, Money Market, or Share Account.

*This Service may not be available for all Accounts.*

### c. **Virtual Branch Home Banking and Mobile Banking**

You may access your Accounts by way of our website or our mobile app using your Login ID and Password to:

- Transfer funds between your Checking, Share, and Money Market Accounts.
- Make history inquiries on your Checking, Share, Money Market, Share Certificate, and loan Accounts.
- Make advances on your unused Line-of-Credit and transfer advances to your Checking, Share, and Money Market Accounts.
- Make payments from your Checking, Money Market, and Share Accounts to loan Accounts with us.

Your contractual arrangement for the Home Banking and Mobile Banking Services provides for additional terms and conditions.

*This Service may not be available for all Accounts.*

**e. Bill Payments, Popmoney, and Account to Account Transfers**

You may make bill payments to third parties, use the Popmoney Service to transfer funds to accounts of other persons at U.S. financial institutions, and use the Account-to-Account Service to transfer funds to accounts of yours at other U.S. financial institutions. Your contractual arrangement for the Bill Payment, Popmoney, and Account to Account Transfers Services provides for additional terms and conditions.

*This Service may not be available for all Accounts.*

**f. Connex-us Telephone Transfers**

You may access your Accounts by telephone 24 hours a day at (800) 760-1443 using your PIN, a touch tone phone, and your Account number to:

- Transfer funds between your Checking, Share, and Money Market Accounts.
- Make payments from your Checking, Share, and Money Market Accounts to loan Accounts with us.
- Obtain information about:
  - The Account balance and last three deposits to your Checking, Share, and Money Market Accounts.
  - The last three checks paid from your Checking and Money Market Accounts.
  - The balance, next due date and payoff amount of your loans with us.

*This Service may not be available for all Accounts.*

**g. PULSE Card ATM Transactions**

You may access your Account(s) through an automated teller machine ("ATM") using your PULSE Card and PIN to:

- Obtain cash withdrawals from your Checking and Share Accounts.
  - You may withdraw no more than \$200 per transaction.
  - You may withdraw no more than \$500 per day in combined Share Account, Checking Account and Debit Card transactions, subject to your available balance.
- There is a charge as set forth on the Fee Schedule for each withdrawal at ATMs we do not own.
- Transfer funds between your Checking and Share Accounts.
- Transfer funds from your Line of Credit to your Checking Accounts.
- Transfer funds from your Checking or Share Accounts to loan Accounts with us.
- Obtain information about Account balances in your Checking and Share Accounts.
  - There is a charge as set forth on the Fee Schedule per inquiry at ATMs we do not own or operate.

*Some of these services may not be available for all Accounts or at all terminals.*

**h. VISA Check Card Transactions**

You may access your Checking Accounts and Share Accounts to:

- Pay for goods and services at places that have agreed to accept the Card.
- Withdraw cash from participating financial institutions or merchants, if the merchant permits.
- Access your Account(s) through an ATM using your Card and PIN to perform the same kinds of ATM transactions that can be performed with the PULSE Card.

**i. Check Card Frequency and Dollar Limitations**

- You may not exceed \$500 in transactions per day in ATM withdrawals, subject to your available balance.
- You may not exceed \$10,000 in point-of-sale transactions per day, subject to your available balance.

*Some of these services may not be available for all Accounts or at all terminals.*

**j. Electronic Check Conversion**

If you pay for something by check and the merchant or other payee permits, you may authorize the merchant or payee to make a one-time electronic payment from your Checking Account using information from your check to pay for purchases or pay bills. You may also authorize a merchant to debit your Account electronically for returned check fees. You are deemed to have authorized these transfers if you sign an authorization or if you engage in the transaction after receiving notice that the transfer will be treated as an electronic fund transfer.

**3. Fees**

- There is no charge for direct deposits to any type of Account.
- There is no charge for preauthorized payments from any type of Account.
- There is no charge for withdrawals or transfers at ATMs we own or operate.
- There is a fee as set forth on our Fee Schedule for each withdrawal at ATMs we do not own or operate.
- Electronic fund transfers are subject to all Credit Union fees as set forth in the Fee Schedule. For example, stop payment and NSF fees. Unless a fee is specifically disclosed in these Disclosures or in the Fee Schedule, we do not charge for electronic fund transfers.

**4. Non-Proprietary and Out-Of-Network Atm Fees**

If you use your Card at an ATM not owned or operated by the Credit Union, you may be charged a fee by the ATM owner or operator or any network used (and you may be charged for a balance inquiry even if you do not complete a fund transfer).

**5. Business Days**

Our business days are Monday through Friday except for federal holidays and day after Thanksgiving.

**6. Documentation**

**a. Terminal Transfers**

You can get a receipt at the time you make any transfer of more than \$15 to or from your Account using an ATM or point-of-sale terminal.

**b. Direct Deposit**

If you have arranged to have direct deposits made to your Account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money or you can call our Member Services Department at (817) 856-4444 during our regular business hours to find out whether or not the deposit has been made.

**c. Periodic Statements**

You will receive a monthly Account Statement from us for your Checking and Money Market Accounts. You will receive a monthly Account Statement from us for your Share Accounts unless there are no electronic fund transfers in a particular month. In any event, you will receive an Account Statement at least quarterly.



## 7. Confidentiality

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

- Where it is necessary for completing transfers, or
- In order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant, or
- In order to comply with government agency or court orders, or
- If you give us your written permission.

## 8. Your Liability for Unauthorized Transfers and Advisability of Prompt Reporting

Tell us AT ONCE if you believe your Card or PIN 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. 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.

### a. For Point-of-Sale and U.S. ATM Transactions Sent Over the VISA and Plus Networks Using Your VISA Check Card

If you believe your Card or PIN has been lost or stolen, you will not be liable once you notify us that someone may or has used your Card or PIN without your permission. The foregoing liability limitation does not apply if you are negligent or fraudulent in the handling of your Account or your Card. In those cases, your liability will be determined under the standards set forth below for all other transfers.

### b. For All Other Transactions Involving a Card or PIN

If you believe your Card or PIN has been lost or stolen, and you tell us within two business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your Card or PIN without your permission. If you do NOT tell us within two business days after you learn of the loss or theft of your card or PIN and we can prove we could have stopped someone from using your Card or PIN without your permission if you had told us, you could lose as much as \$500.

### c. Duty to Report Errors Promptly

Also, if your statement shows transfers that you did not make, including those made by Card, PIN, 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.

## 9. Preauthorized Payments

### a. Right to Stop Payment of Preauthorized Transfers and Procedure for Doing So

If you have told us in advance to make regular payments out of your Account, you can stop any of these payments. Here's how:

Call us or write us at the telephone number or address listed in Section 1 of these disclosures in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. We will charge a Stop Payment Fee as set forth in our Fee Schedule for each stop payment order you request. In addition, if you notify us that your authorization is no longer valid, we may confirm that you have informed the payee that your authorization has been revoked and we may require a copy of your Revocation of Authorization as written confirmation, to be provided to us at the address set forth in Section 1 of these Disclosures within 14 days of any oral notification. If we do not receive the required written confirmation within this time period, we may honor subsequent debits to the Account.

### b. Notice of Varying Amounts

If these regular payments may vary in amount, the person or company you are going to pay will tell you, ten 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.

**c. Liability for Failure to Stop Payment of Preauthorized Transfer**

If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages proximately caused by our failure.

## 10. Credit Union Liability

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 proximately caused by such failure. However, there are some exceptions. We will NOT be liable, for instance -

- If, through no fault of ours, you do not have enough money in your Account to make the transfer.
- If you have an overdraft protection line of credit and the transfer would go over your credit limit.
- If the terminal or ATM where you are making the transfer does not have enough cash.
- If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- If you have closed the Account to or from which the transfer was to be made.
- If the funds in your Account are subject to an administrative hold, legal process, or other claim.
- If the failure to properly complete the transaction is caused by erroneous information supplied by you or your agent.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- There may be other exceptions stated in our agreements with you.

## 11. In Case of Errors or Questions About Your Electronic Transfers

Call or write us at the telephone number or address listed in these disclosures 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.

- Tell us your name and Account number (if any).
- 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.
- 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 business days.

We will determine whether an error occurred within ten business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your Account within 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. For VISA Check Card signature-based, point-of-sale (non-ATM) transactions, we will credit your Account within five business days for the amount you think is in error unless we determine that the circumstances or your Account history warrants a delay of up to 10 business days. 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.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your Account for the amount you think is in error.

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.

## **12. ATM Safety Precautions**

Exercise discretion when using an Automated Teller Machine or night deposit facility and observe basic safety precautions. Prepare for any ATM transactions prior to approaching the ATM or night deposit facility. Retain your receipts, and do not leave them at the ATM or night deposit facility. Treat your Card like cash. Do not lend your Card to anyone, and do not leave your Card or any other documents at the ATM or any night deposit facility. Keep your PIN secret and memorize it. Do not give anyone information regarding your Card or PIN over the telephone. When using a walk-up ATM, place your body in a position so that you will prevent others from observing your PIN when entered. When using a drive-up ATM, keep your car doors locked and the engine running. At any ATM or night deposit facility, keep a lookout for any suspicious activity near the facility and assure yourself that the facility and all approaches to the facility are well lighted. Conceal cash received from an ATM to the best of your ability and count it after you have left the ATM. If anyone offers assistance while you are operating an ATM, do not accept it. If you have begun a transaction, consider canceling the transaction and leaving the ATM location. If your Card is lost or stolen, follow the procedures set forth in these disclosures. Finally, compare your receipts against the Account statements you receive and notify us immediately if you suspect that an error or unauthorized transaction has occurred.

# **FUNDS AVAILABILITY POLICY YOUR ABILITY TO WITHDRAW FUNDS**

**at**  
**Allied Federal Credit Union**

*The following Funds Availability Policy applies all Allied Federal Credit Union Accounts. However, in some cases, we may delay the availability of funds deposited into a non-transaction Account for longer periods than described below. A "non-transaction" Account includes any Account other than a Checking Account. If you have a question about when the funds from a deposit made to your Account will be available for withdrawal, please ask us.*

Our policy is to make funds from your cash, check, and electronic deposits available to you on the same day we receive your deposit. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

### **Longer Delays May Apply**

In some cases, we will not make all of the funds that you deposit by check available to you until the second business day after the day or your deposit. The first \$225 of your deposit, however, will be available on the same day we receive your deposit. For determining the availability of a deposit subject to a hold hereunder, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing 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 closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

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 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.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as a failure of computer or communications 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 business day after the day of your deposit.

If you have any questions, be sure to ask us.

### **Special Rules for New Accounts**

If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits into your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 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 first business day after the day of

your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525 will be available on the ninth 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 \$5,525 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the tenth business day after the day of your deposit.

# SUBSTITUTE CHECKS AND CONSUMER RIGHTS

## IMPORTANT INFORMATION ABOUT CHECK 21 AND CONSUMER CREDIT UNION SHARE ACCOUNTS

### **What is a substitute check?**

To make check processing faster, a federal law called Check 21 permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights consumers have when substitute checks are received from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

### **What Are My Rights Regarding Substitute Checks?**

In certain cases, federal law provides a special procedure that allows consumers to request a refund for losses suffered if a substitute check is posted to a consumer account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is a dividend-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns dividends) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns dividends) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

### **How Do I Make a Claim for a Refund?**

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us in writing at Allied FCU, 200 SE Green Oaks Blvd, Arlington, TX 76018. You must contact us within 60 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check: The check number, the name of the person to whom you wrote the check, and the amount of the check.

## PRIVACY NOTICE

FACTS	WHAT DOES ALLIED FEDERAL CREDIT UNION DO WITH YOUR PERSONAL INFORMATION?	
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>Social Security number and income</li> <li>account balances and payment history</li> <li>transaction or loss history and credit history</li> </ul> <p>When you are no longer our member, we continue to share your information as described in this notice.</p>	
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Allied Federal Credit Union chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does Allied Federal Credit Union share?	Can you limit this sharing?
<b>For our everyday business purposes</b> —such as to process your transactions, maintain Your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> —to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes</b> —information about your transactions and experiences	No	We do not share
<b>For our affiliates' everyday business purposes</b> — information about your creditworthiness	No	We do not share
<b>For our affiliates to market to you</b>	No	We do not share
<b>For nonaffiliates to market to you</b>	No	We do not share
<b>Questions?</b>	Call 817-856-4444 or visit <a href="http://www.alliedfcu.com">www.alliedfcu.com</a>	

**Who we are**

Who is providing this notice?	Allied Federal Credit Union
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**What we do**

How does Allied Federal Credit Union protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Allied Federal Credit Union collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>• open an account or deposit money</li> <li>• pay your bills or apply for a loan</li> <li>• use your credit card or debit card</li> </ul> We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes— information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing.

**Definitions**

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <i>Allied Federal Credit Union has no affiliates</i>
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <i>Allied Federal Credit Union does not share with nonaffiliates so they can market to you.</i>
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to You. <i>Our joint marketing partners include financial companies such as insurance companies</i>