

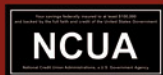


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800.259.9595

SWFinancial.org



Federally Insured  
by the NCUA



## Membership & Account Agreement

PRIVACY NOTICE  
ACCOUNT AGREEMENT  
TRUTH IN SAVINGS DISCLOSURE  
FUNDS AVAILABILITY DISCLOSURE  
ELECTRONIC FUNDS TRANSFER AGREEMENT  
& DISCLOSURES

Updated January 2010

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. Finally, compare your receipts against the statements you receive and notify us immediately if you suspect that an error or unauthorized transaction has occurred.

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## PRIVACY NOTICE

Southwest Financial Federal Credit Union is owned by you, our member, and run by the Board of Directors you elect. You can be confident that your financial privacy is a top priority of Southwest Financial Federal Credit Union. We are required by law to give you this privacy notice to explain how we collect, use and safeguard your personal financial information.

We are committed to meeting your needs for high quality, low cost credit union products and services. In order to do that, the credit union sometimes enters into agreements with other companies (third parties) to help with certain aspects of the credit union's work. Under these arrangements, the credit union may disclose some or all of the information we collect, as described below, to companies that perform marketing or other services on our behalf. However, to protect your privacy, we will only engage the services of companies who share our standards for protecting your confidentiality. These companies will agree in writing to use your information for only the specific purpose authorized by the credit union and to protect your information from re-use or further disclosure. For example, like most financial institutions, we disclose member information to a third party company as necessary to produce and mail your account statement, which necessitates that we share information about you to complete the process. We may also disclose information we collect about you under other circumstances as permitted or required by law.

Such disclosures typically include information to process transactions on your behalf, conduct the operations of the credit union, follow instructions as you authorize, or protect the security of the credit union's financial records.

We may also disclose all the information we collect, as described below, to companies that perform marketing or other services on our behalf or to other financial institutions with whom we have joint marketing agreements.

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

If you prefer that we not disclose information about

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. **MasterCard Debit Card Currency Conversion**

If you effect an international transaction with your MasterCard 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 MasterCard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard itself receives, or (ii) the government mandated rate in effect for the applicable central processing date; and in each instance, plus a 1% Foreign Transaction Fee. The Foreign Transaction fee will apply to all international purchase, cash advance, and Account credit transactions.

### 13. **Illegal Transactions**

You agree that you will not cause or allow your Card or PIN 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 use or transaction. If you use your Card or PIN 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 your Card or PIN and agree to indemnify and hold harmless the Credit Union and Mastercard International, Inc. from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use.

### 14. **ATM Safety Precautions**

Exercise discretion when using an ATM or night deposit facility. 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. 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 an ATM, place your body in a position so that you will prevent others from observing your PIN when entered. 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

- There may be other exceptions stated in our agreement 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
- 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 provisionally credit your Account within ten business days for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation. For MasterCard Check Card point-of-sale (non-ATM) transactions, we will provisionally 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 ten business days. If we ask you to put your complaint or question in writing and we do not receive it within ten 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

you to certain companies, you may “opt out” of these disclosures. That is, you may direct us not to disclose information about you, as explained in this notice. This “opt out” will not apply to information that we may disclose about you to other non-affiliated third parties as permitted or required by law.

#### **Information We Collect About You**

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications and other forms;
- Information about your transactions with us, our affiliates, or others;
- Information we receive from a consumer reporting agency; and
- Information obtained when verifying the information you provide on applications or other forms.

#### **Information We May Disclose About You**

We may disclose all of the information that we collect, as described above.

#### **Certain Parties That Receive Information From Us Where You Can Request To Opt Out**

We may disclose non-public personal information about you to the following types of non-affiliated third parties:

- Financial service providers, such as securities broker-dealers and insurance agents
- Non-financial companies, such as automobile dealerships and online media companies

We also reserve the right to disclose in the future all information that we collect to additional selected financial service providers, non-financial companies, and others to whom we do not currently disclose. You may choose to opt out of these disclosures.

#### **How to Opt Out or Stop Certain Disclosures About You**

If you wish to opt out of all disclosures to non-affiliated third parties (other than disclosures as permitted or required by law), you may contact a Financial Services Representative through the following toll-free number: (800) 259-9595 or (214) 630-7111.

You may also opt out by completing a form, which may be provided to you at any Southwest Financial Federal Credit Union branch location. You may opt out of these disclosures at any time. Once we receive your request not to make further disclosures, we will act as quickly as possible to stop disclosures. **You may always contact us for assistance if you wish later to revoke your opt out election.**

If we do not hear from you, we may share all the non-public personal information about you that we collect with selected automobile sales and online media companies, and other companies in the future to whom we do not currently disclose. Southwest Financial Federal Credit Union believes that these types of products and services will be of value and interest to you.

Note to joint account holders: Any one of you may exercise the right to opt out. We will treat an opt-out request from any one party to an account as if all of you directed us to not make disclosures to non-affiliated third parties to which the opt out right applies.

#### **Disclosure of Information About Former Members**

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

#### **How We Protect Your Information**

We restrict access to non-public personal information about you to those employees who have a specific business purpose in utilizing your data. Our employees are trained in the importance of maintaining confidentiality and member privacy. We maintain physical, electronic, and procedural safeguards that comply with federal regulations and leading industry practices to safeguard your non-public personal information.

#### **Contact Us For More Information**

If you have any questions, please contact a Financial Services Representative at (800) 259-9595 or (214) 630-7111.

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 transactions.

#### **For All Other Transactions**

If you tell us within two business days, 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.

Also, if your statement shows transfers that you did not make, 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.**

#### **10. Credit Union's 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. 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 the terminal or system where you are making the transfer does not have enough cash.
- If the ATM or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- 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 you have closed the Account from which you have preauthorized electronic fund transfers.

## ACCOUNT AGREEMENT

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.

### **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.

### **7. 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 (800) 259-9595

Or write to:

Southwest Financial Federal Credit Union  
7610 Stemmons Frwy Ste 110  
Dallas, TX 75247

You may report a lost or stolen MasterCard Check Card after hours by calling (800) 528-2273.

### **8. Confidentiality**

We will disclose information to third parties about your Account or 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.

### **9. 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. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your Account.

### **For Point-of-Sale Transactions with Your MasterCard Debit 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

This Agreement covers the rights and responsibilities concerning your accounts and the rights and responsibilities of Southwest Financial Federal Credit Union. In this Agreement, the words “you,” “your,” “party,” and “Owner” mean any person or entity who signs a Membership Application, or any other application in connection with the opening of any Account with Southwest Financial Federal Credit Union, any such person or entity who maintains an Account with us, or any other person or entity authorized to use or having access to any such Account. The words “we,” “us,” “our,” and “Credit Union” mean Southwest Financial Federal Credit Union.

In this Agreement, and in your Truth in Savings Rate, Fee, and Account Disclosures, the term “Savings Account” may be used to describe your Share Account with us, and the term “Checking Account” may be used to describe your Share Draft/Checking Account with us.

You authorize us to establish one or more Accounts for you or on behalf of third parties designated by you in your Membership Application or in any other Account application you may execute with us (collectively, the “Application”), including but not limited to any Share Account, Checking Account, any Money Market Account, and any Share Certificate (CD) Account. 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 association. You also acknowledge receipt of and agree to be bound by our Truth in Savings Rate, Fee, and Account Disclosures as amended from time to time and to conform to our rules, regulations, bylaws, and policies now in effect and as amended or adopted hereafter. In case of any conflict between the terms of this Account Agreement and the disclosures set forth in the Truth in Savings Rate, Fee, and Account Disclosures, the disclosures appearing in the Truth in Savings Rate, Fee, and Account Disclosures will control. The Truth in Savings Rate, Fee and Account Disclosures are incorporated into this Agreement. This Agreement is incorporated into and made a part of any Application or other document you execute or receive in connection with the opening or use of any Account.

To join the Credit Union, you must meet the membership requirements as set forth in the Credit Union’s Bylaws as established from time to time by the Credit Union’s Board

of Directors. You authorize us to check your account, credit, and employment history, and obtain reports from third parties including credit-reporting agencies, to verify your eligibility for the accounts and services you request.

The minimum balance of a regular Savings (Share) Account in this Credit Union is \$25.00. You must maintain this balance in the Primary Savings (Share) Account to have/maintain other accounts at the Credit Union.

**Member accounts in this Credit Union are federally insured by the National Credit Union Share Insurance Fund.**

4. **Business Days, Holidays and Cutoff Hour for ATM Deposits**

For purposes of this Disclosure, our business days are Monday through Friday, excluding holidays observed by the Credit Union. We will accept checks for deposit at some, but not all of our ATMs. These deposits will be considered received the next business day, subject to cutoff times posted.

5. **Documentation**  
**Terminal Transfers**

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

**Periodic Statements**

You will receive a monthly Account statement from us for your Checking and Savings Accounts if there is electronic fund transfer activity on the Account during a given month. In any event, you will receive a statement for your Accounts at least quarterly.

**Direct Deposits**

If you have arranged to have direct deposits made to your Account at least once every 60 days from the same person or company, you can call us at (214) 630-7111 or (800) 259-9595 to find out whether or not the deposit has been made. If the only possible electronic fund transfers to or from your Account are preauthorized transfers, you will receive a statement for your Accounts quarterly.

6. **Preauthorized Payments**  
**Right to Stop Payment of Preauthorized Transfers and Procedure for Doing So**

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

Call us or write to us at the telephone number or address listed in 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 fee as set forth in our Fee Schedule for each stop payment order you give.

**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

You may withdraw up to \$1,500 per day for point-of-sale (*signature-based*) transactions.\*

You may withdraw an aggregate of \$1500 per day inclusive of PIN and Signature based transactions.

**\*If our system is offline, withdraw and aggregate limits may be lower.**

#### **KayDe, 24-Hour Telephone Teller**

You may transfer or withdraw an aggregate total of up to \$2,000 per calendar day using your PIN. Each individual check request or transfer is limited to a maximum of \$1,000 per request. There is a limitation on the count of transactions per month from savings accounts. These are described above and are subject to service fees, once you exceed limits described under these Regulation D limitations. (The system will not prevent you from making these transfers.)

#### **24-Hour Online Banking**

You may transfer an aggregate total of up to the available balance in your account using your PIN. There is a limitation on the count of transactions per month from savings accounts. These are described above and are subject to service fees, once you exceed limits described under these Regulation D limitations. (The system will not prevent you from making these transfers.)

#### **24-Hour Bill Pay**

You may pay your bills up to the available balance in your account, with a maximum payment of \$9,999.99. There is not a count limitation. These transactions are available from Checking Accounts and are not subject to the Regulation D charges described above.

### **3. Fees**

Please refer to our Fee Schedule accompanying this Agreement for disclosures of fees and charges that apply in connection with your use of electronic fund transfer services. In addition to the fees disclosed on our Fee Schedule, when you use an ATM not owned by us, you may be charged an additional fee by the ATM operator or any network used. And you may be charged an additional fee for a balance inquiry even if you do not complete a fund transfer.

## **TRUTH-IN-SAVINGS DISCLOSURES**

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

## **ACCOUNT OWNERSHIP**

1. **Single Party or Individual Accounts.** An individual account is an account owned by one member (individual, corporation, partnership, trust or other organization) qualified for credit union membership. If the account owner dies, the interest passes, subject to applicable law, to the account owner's estate or Payable On Death (POD) beneficiary/payee or trust beneficiary, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent prior to notice of an owner's death and to any security interest or pledge granted by the account owner and subject to our statutory lien rights.

2. **Joint or Multiple Party Accounts with Right of Survivorship.** If an Account is opened by two or more parties, or if one or more parties are added to a Single Party Account after the Account is opened, the Account will be a Joint or Multiple Party Account. The parties to the Account own the Account in proportion to the parties' net contributions to the Account with Right of Survivorship. Payment to any party shall be valid and discharge the Credit Union from any and all liability for such payment. 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 party authorizes all other parties to the Account to act on his or her behalf with respect to the Account and to indorse any instrument payable to him or her for deposit to any such Account. Without the consent or joinder of any other party and without regard to the interest in the Account of any other party, 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 party to the Account, (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. In the event that any Account may be accessed by means

of an electronic funds transfer, including the use of a Debit Card issued in connection with the Account or any telephone or computer access program, each party grants to every other party actual authority to initiate any such transfer, to use any such Debit Card issued, or to use any Personal Identification Number ("PIN") issued in connection with any such telephone or computer access program.

The parties 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 such parties are incapacitated or deceased. 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 your attorney if you have any question regarding the validity, effectiveness, or fitness of any such survivorship designation for any purpose.

**If the Account is a Share Certificate (CD)**, any Right of Survivorship may be ineffective and invalid if the Certificate is not signed by all parties to the Account and returned to the Credit Union. In the event that a new Certificate is issued to you following renewal of a Certificate, evidencing the terms of the renewed Share Certificate, you agree that the signatures and ownership and payable-on-death ("POD") beneficiary designations which apply to your pre-existing Share Certificate shall be incorporated into and made a part of the renewed Share Certificate and shall apply to that Certificate, unless the renewed certificate is returned to the credit union, with signatures, and we have acknowledged receipt of the altered ownership, survivorship, and POD beneficiaries. In the event no certificate exists, the same ownership, survivorship, and POD beneficiaries for the Primary Share Account shall prevail. IRA Share Certificates may not have joint owners or POD beneficiaries. If you are over 59½, you may withdraw funds from an IRA Share Certificate once per calendar year, without Credit Union penalty, subject to federal regulations. If you are under 59½, withdrawals will be permitted, subject to Credit Union penalties and federal regulations.

The Credit Union makes no representation concerning the effectiveness of these survivorship rights, and you understand that you should consult with your attorney if you have any question regarding the validity,

If a merchant permits, you may pay certain bills and purchase goods and services at the point of purchase, by telephone, or over the internet by authorizing the merchant to electronically debit your Checking Account.

## 2. **Transfer Limitations**

### **General - Share Accounts**

Under government regulations that apply to your Share (Savings) Account types, you may not make more than six transfers and withdrawals, or a combination of such transfers and withdrawals from these Accounts, per calendar month to another Account of yours at the Credit Union or to a third party by means of a pre-authorized or automatic transfer, or telephonic agreement, order, or instruction (including transfers by personal computer or other data transmission) and no more than three of the six transfers may be made by check, draft, debit card, or similar order made by you and payable to third parties. Withdrawals by mail, messenger, ATM, or in person, and transfers to make payments on your loans with us are not included in this limitation. However, automatic or preauthorized transfers from your Accounts to make payments on loans that your family members may have with us are counted against this transaction limitation. If you exceed the number of transfers permitted, your Account may be closed, may be subject to additional fees; return items or all of the stated conditions. Due to these limitations, point of sale transactions are not permitted from your Share (Savings) Account(s).

You must maintain your Account(s) in good standing with us in order to continue access to your Account(s) via the Debit Card.

**Occasionally, we may allow you to withdraw more than the daily limitations disclosed in these Disclosures. You agree that you will not withdraw more than the amount of funds available in your Account(s). However, if we allow you to use your Card to withdraw an amount exceeding the available funds in your Accounts, you will be responsible for all amounts you owe to the Credit Union.**

### **MasterCard Debit Card**

You may transfer or withdraw up to \$500 per day (24-hour period) via PIN based transactions.\*

## **KayDe, 24-Hour Telephone Teller Account Access**

You may use your Audio Response PIN to:

- Transfer funds between your Checking and Savings Accounts
- Request that a check be mailed to your address on file for a withdrawal from your Checking or Savings Accounts
- Obtain your recent Account history, account and balance information
- Make payments on your loan accounts with us
- Request funds from your line of credit (if available and applicable) to be transferred to your Savings or Checking Account

## **SWNet, 24-Hour Online Banking and Bill Pay Account Access**

You may use your Online Banking PIN to:

- Transfer funds from your Savings and Checking Accounts
- Obtain your recent Account history, account and balance information
- Make payments on your loans with us from your Checking and Savings Accounts
- Make bill payments to approved merchants and other approved parties from your Checking Account

Your contractual arrangement for the Online Banking and Bill Payment Service may provide for additional terms, conditions, disclosures, and limitations.

## **Direct Deposit and Preauthorized Withdrawal Transfers**

You may make arrangements for certain direct deposits to be accepted into your Checking or Savings Accounts or to pay certain recurring bills from your Checking or Savings Accounts.

## **Other Withdrawal Transfers**

If you pay for something by check and the merchant permits, you may authorize the merchant to convert your check to an electronic fund transfer. You may also authorize a merchant to electronically debit your Checking Account 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.

effectiveness, or fitness of such survivorship designation for any purpose.

3. **Accounts for Minors**. We may require any account established by a minor to be a joint account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. We may pay funds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. We will not change the account status when the minor reaches the age of majority unless authorized in writing by all account owners.

4. **Change/Conditions of Joint Ownership**. A primary member in whose name a Joint or Multiple Party Account is opened who designates other parties to own the Account jointly 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 that 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 a member to remove any party from the Account, or the Credit Union may require the consent of any party prior to acting upon any written notification or instruction by a member to remove that party from an Account. No other party to a Joint or Multiple Party Account may make any such ownership change, addition, or deletion.

The Credit Union may allow a Joint Owner to remove himself or herself from an Account. **Only** the Primary Member (the holder of the social security number or TIN assigned to the account) may close the member's Primary Share Account.

In the event that a Joint Owner is removed from a Checking Account, and you choose not to change your account number, you will assume the risk of unauthorized withdrawals by that Joint Owner. Upon written notification to the Credit Union, the Credit Union will make every reasonable effort to return the items and collect the funds. In that event, you agree to hold us harmless from any and all loss and liability, which we may incur due to our inadvertent payment of checks

## DISCLOSURE

signed by a previous Joint Owner. You agree that we will not have any duty to discover items presented on the Account, signed by a previous Joint Owner. In the event of a prior commitment to a loan, secured by the funds in the Account by a Joint Owner, the loan Security Agreement will prevail. The funds will remain as security until the obligation is fulfilled.

5. **Fiduciary Accounts.** These accounts have special ownership rules. They can have no beneficiary designation (no P.O.D and no joint owners). Fiduciary Accounts have owners that are not signers and signers that are not owners of the funds. In some cases, no additional authorized signers or power of attorneys may be listed on the account signature card. The only signer would be the person named on the legal document as described below.

In the event that the Credit Union permits the opening of such 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 Fiduciary Account and that any such authorization shall continue in effect until we receive written notice of revocation and give written acknowledgment of the receipt of written revocation thereof.

The Credit Union shall not be liable for any loss occasioned by the fraud, negligence, or misapplication of funds on the part of any fiduciary.

- a. **Accounts for Trusts.** At our option, we may issue shares or accept deposits in the name of 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. 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

**Notice to Business Account and Other Non-personal Account Holders: The following disclosures are provided for the benefit of consumers pursuant to the Electronic Fund Transfers Act and Federal Reserve Board Regulation E. The Act and Regulation do not apply to business and other non-personal Accounts. If you are a business Account or other non-personal Account holder, the disclosures below relating to your liability for unauthorized transfers, credit union liability, and error resolution do not apply to your Account. The remainder of the disclosures are provided for informational purposes only and are not intended to expand the scope or coverage of the Act or Regulation to business and other non-personal Accounts.**

1. **Transfer Types** - The following electronic fund transfer services are available:

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

### **MasterCard Debit Card Account Access**

You may use your MasterCard Debit Card and PIN to perform the same types of transactions as disclosed above for the ATM Card. Signature-based transactions do not require a PIN but may require positive identification. You may also perform the following transactions with your MasterCard Debit Card:

- Withdraw cash from your Savings and Checking Accounts from ATMs that displays the PULSE logo
- Transfer funds between your Checking and Savings Accounts
- Inquire as to the balance in your Checking and Savings Accounts
- Pay for goods and services from your Checking Account at places that have agreed to accept MasterCard
- Obtain cash from a merchant (from your Checking Account) if the merchant permits you to do so
- Obtain cash advances from any financial institution that displays the MasterCard logo

from recording or displaying your PIN in such a manner that it will be accessible by third parties. 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 that 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 user for which you shall be liable. You are responsible for reporting the loss or theft of your Card or PIN to us as soon as possible after the loss or theft.

4. **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 terminate any one or more electronic fund transfer 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 amend, supplement, or add to this Agreement and Disclosures from time to time, subject to such notification as may be required by applicable law. If the Card is not utilized for a period greater than one-year (365 days) authorization for the card may be revoked, without notice.
5. **Debit Card Use.** You acknowledge that a MasterCard Debit Card transaction is NOT a preauthorized transaction, subject to provisions discussed elsewhere in this agreement. When you have authorized a charge or transaction for a purchase from a participating merchant and MasterCard has accepted it, you may not “stop payment”. Even though the charge may not have processed on your Account, the charge is authorized and may not be revoked. You authorize the Credit Union to charge your Account for the amount of the Card transaction when received.

Once effected, you may not cancel any transaction through an automatic teller machine.

If merchandise is returned, you may not receive immediate credit.

Some merchants may pass an “anticipated authorization amount” that may reduce your available balance for withdrawal. In addition, this could result in compounded charges subject to the contract or agreement with said merchant.

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.

b. **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 (a) to determine if the person appointed guardian or estate representative has qualified or continues to be qualified as guardian or as estate representative, (b) to determine if an act of the guardian or estate representative is in accordance with or authorized by the Texas Probate Code or other applicable law, (c) to 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) to 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

## ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURES

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 Probate 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.

If an estate Account is opened, the Account will be titled under a tax identification number assigned to the estate. The deceased Account owner's social security number terminates upon his or her death. In an estate Account, the estate is the Account owner and the executor or administrator is the Account signer.

If a guardianship Account is opened, the court-appointed guardian is the only signer on the Account. The ward is the child or other person declared unable to attend to their own affairs and the owner of the Account. Only the guardian may have direct access to the funds on deposit.

- c. **Social Security 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 "representative payee." Funds in a Social Security Representative Payee Account are owned by the member beneficiary. Only the Representative Payee, however, shall have direct access to the funds on deposit. For example, an incapacitated person would be the intended receiver of benefits and they would be the Account owner. The incapacitated person, as such, cannot be a signer. Someone is approved/accepted by the Social Security Administration as the representative payee, and that person is the signer on the Account. If an Account is

### **AGREEMENT**

1. **Issuance of Card or Personal Identification Number**. In this Agreement and Disclosures ("Agreement"), the words "you," "your," and "party" refer to any person to whom a Southwest Financial Federal Credit Union MasterCard Debit Card (collectively, "Card") is issued, any person to whom a Personal Identification Number ("PIN") is issued in connection with any such Card or other electronic fund transfer service, any person authorized to use or given access to use any such Card or PIN, and any owner on any Credit Union Account which may be accessed by the Card or the PIN. The words "we," "us," "our," and "Credit Union" refer to Southwest Financial Federal Credit Union. You agree that any use of a Card or PIN by you shall be governed by the terms and conditions set forth in this Agreement, as well as the terms of your Account Agreement with us, which is incorporated into this Agreement by reference.
2. **Overdrafts**. You agree that you will not use your Card and PIN to withdraw or transfer funds from your Account in amounts exceeding the available balance in your Account at the time of any such transfer. You agree that we will be under no obligation to make a withdrawal or transfer if there are insufficient funds in your Account. If your Account has sufficient 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 that 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 funds available thereafter. If you have applied and/or been approved for Courtesy Pay with us, you agree that your use of the Card and PIN shall be subject to the Overdrafts, Automatic Share Transfers and Overdraft Privilege sections of the Account Agreement.
3. **Card Security**. You agree to keep your Card and PIN in a place of safekeeping, to refrain from disclosing your PIN to any third party, to refrain from writing your PIN on your Card, and to refrain

you have when you receive substitute checks 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, a federal law called the Check 21 Act provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your 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.

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

If you use this procedure, you may receive up to (amount not lower than \$2500) of your refund (plus interest if your account earns interest) within (number of days, not more 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 was posted to your account, you must contact us within 40 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;

opened, you (whether as beneficiary or as Representative Payee) agree that we may accept deposits including direct deposits from the Social Security 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 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 otherwise 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 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 Social Security Representative Payee Account or any other Account designated for the receipt of government benefits.

6. **Payable on Death (P.O.D.) Accounts.** A P.O.D. Account is an Account payable on request to one or more persons during their lifetimes and, upon the death of the last of those persons, payable to one or more P.O.D. payees named in the Membership Application or any other Account authorization executed in connection with the Account. You agree that the persons named as P.O.D. payees in any Membership Application or Payable on Death Agreement, whether one or more, are

designated as P.O.D. payees. During your lifetime, all funds paid into or deposited into the designated Account, including any earnings thereon, shall be owned by you, and payment may be made upon your request, or the request of any party to the Account. If there is more than one Owner, then during your lifetimes the provisions set forth above with regard to Joint or Multiple Party Accounts with Right of Survivorship shall control. Upon your death (the death of the last of you 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. Payment may be made at the request of any named 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 us harmless from any claim asserted by any person or estate as a result of the payment of funds deposited in the Account designated. We are not obligated to notify any beneficiary/payee of the existence of any account or the vesting of the beneficiary/payee's interest in any account, except as otherwise provided by law. **You understand and agree that a P.O.D. designation shall be ineffective with respect to any Account held in 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.

We make no representation concerning the legal consequences or effect of any P.O.D. designation, and you understand that you should consult with your attorney if you have any question regarding the validity or effectiveness of any such P.O.D. designation for any purpose. This paragraph does not apply to an account held on behalf or held in the name of a trust.

**7. Sole Proprietorship, Partnership and Organizational Accounts.** In this section, the term "Business Account" means any Account maintained or opened by or in the name of any sole proprietorship, partnership, corporation, unincorporated association or club, limited liability company, or other organization. The term "Account Owner" refers to the person or entity named as the Account Owner on any Membership Application or other Account authorization ("Application") executed in connection with the opening, maintenance, or modification of any Business Accounts with us. By opening or maintaining any Business Account with us, you agree that the following terms and conditions shall

of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit. Funds from other checks may be delayed up to seven business days.

**8. Rules Applicable to All Members.** In lieu of accepting a check for deposit, the Credit Union retains the right to send any item for collection. In addition to fees assessed by other institutions, Southwest Financial Federal Credit Union may charge a fee for this service, as set forth in our Truth In Savings Rate & Fee Schedule. You will be informed at the time the item is received for deposit if the item will be sent for collection or refused for deposit. If the item is received by mail or through a drop-box, you will be notified, in writing, no later than the first business day after the day the deposit is received.

In any event, in our discretion, we may refuse any deposit, limit the amount that may be deposited, accept all or any part of a deposit for collection only, return all or any part of any deposit, refuse the deposit to your Checking Account, but accept it to Savings, or close the Account, subject to applicable regulations.

**9. NSF Fees Incurred Due to Delayed Availability of Funds.** If the funds are held, and we failed to notify you of the delayed availability, you will be entitled to a refund of any related overdraft or returned check fees accessed, if the check subject to the delay is paid.

## **SUBSTITUTE CHECKS AND YOUR RIGHTS**

### **What is a substitute Check?**

To make check processing faster, federal law 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

be available until the seventh business day after the day of your deposit. However, the first \$100 of your deposit will be available the next business day, excluding deposits made at the ATM.

5. **Notification.** If we are not going to make all of the funds from your deposit available immediately, 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 business day after the day 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.
6. **Exception Holds.** Funds you deposit by check may be delayed for longer periods under the following circumstances (a) we believe a check you deposit will not be paid, (b) you deposit checks totaling more than \$5000 on any one day, (c) you redeposit a check that has been returned unpaid, (d) you have overdrawn your account repeatedly in the last six months, or (e) there is an emergency, such as failure of communications or computer equipment. We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.
7. **New Accounts.** If you are a new member, the following special rules may apply during the first 30 days your account is open. Funds from electronic direct deposits will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's checks, certified checks, teller's checks, traveler's checks, and federal, state and local government checks will be available on the first business day after the day we receive your deposit if the deposit meets certain conditions. For example, the checks must be made payable to you. The Excess over \$5,000 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

apply to and govern any such Account in addition to the other provisions of this Agreement:

- a. You expressly represent that (i) the Account Owner named on any Application is duly organized, validly existing, and in good standing under the laws of the state where organized and has filed Articles of Incorporation, Certificates of Limited Partnership, or Assumed Named Certificates in a manner sufficient to ensure that no other person or entity shall conduct business under the same name or any name deceptively similar to that of the Account Owner, (ii) each officer, partner, agent, representative, or other party who signs on any Application as an authorized signer is qualified and authorized to sign in the capacity represented and is empowered to so act on behalf of the Account Owner named, and (iii) the Account Owner named on any Application is either presently a member of the Credit Union or is eligible to apply for membership in keeping with the membership requirements set forth below.
- b. Any of the Authorized Signers on any Application shall be authorized to transact business on behalf of the Account Owner with respect to the Business Account or Accounts designated on the Application and are authorized to (i) close any such Account(s), (ii) deposit and withdraw any of the funds of the Account Owner in such Account(s), whether represented by cash, checks, notes, or other evidences of debt, (iii) sign for and receive the statements and records of the Account Owner with respect to any such Account(s), (iv) stop payment against checks, (v) make withdrawals or transfers from any such Account for the purpose of purchasing Certificates of Deposit in the name of the Account Owner and to redeem any such Certificate of Deposit in the name of the Account Owner, and to make any other agreements and stipulations with us with respect to such Account(s) and to bind the Account Owner thereto.

- c. The indorsement of the Account Owner of items for deposit may be written or stamped without designation of the party making the indorsement.
- d. We are authorized to honor any and all withdrawals of the Account Owner's funds by any one of the Authorized Signers, and we need make no inquiry concerning any such action. We do not accept Business Accounts that require more than one signature for withdrawal. If you designate on your Application, checks, or any other Business Account documentation that multiple signatures are required for withdrawal, you represent that any such designation is for your own internal purposes only and you agree that it is not binding on us.
- e. We will not be liable for any loss occasioned by the fraud, negligence, or misapplication of funds by any of the Authorized Signers. The Account Owner and all of the Authorized Signers, jointly and individually, agree to indemnify and hold us harmless from any claims, demands, expenses, losses, or damages resulting from, or directly or indirectly related to, any activity of such parties with regard to any Business Account maintained with us.
- f. The Account Owner and the Authorized Signers agree to execute or provide such additional documentation as we may require or deem appropriate in connection with the opening and maintaining of any Business Account.
- g. The Account Owner and all Authorized Signers authorize us to recognize the facsimile signature(s) appearing on any Application and to charge the Account Owner for all checks, withdrawals, or similar orders drawn on the Business Accounts maintained by the Account Owner. We will be so authorized so long as any facsimile signature reasonably resembles the facsimile signature appearing on any Application.

## FUNDS AVAILABILITY DISCLOSURES

1. **Background.** This regulation was passed to ensure timely access to funds in a checking account by depositors and to improve the check collection system. The law prevents financial institutions from placing unreasonable holds by specifying maximum hold periods. Southwest Financial Federal Credit Union has implemented the following policy to provide our membership the maximum benefits with their daily Checking Account needs. You can compare this policy to other financial institutions, when making a decision as to where to maintain your accounts.
2. **Your Ability to Withdraw Funds.** Our goal is to make funds from your deposits available to you on the business day that we receive your deposit. Electronic direct deposits will be available on the 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.
3. **Determining the Availability of Your Deposits.** For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays and federal holidays. Our business hours and the dates of certain other holidays periodically declared by your Board of Directors are published in the Credit Union's newsletters. If you make a deposit in person before the close of business on any 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. Saturdays are not considered in determining the day a hold will be released.
4. **Longer Delays May Apply.** While our goal is to make the deposits available to the membership immediately, in some cases, we will not make all of the funds that you deposit by check available to you immediately. Depending on the type of check that you deposit, funds deposited to your checking account may not

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

13. **Amendment.** You agree that we may add to, amend, or supplement this Agreement, the Truth in Savings Rate, Fee, and Disclosures, and any notice, agreement, or policy made a part of this Agreement, from time to time in our sole discretion, subject to applicable law.

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

15. **Reopened Accounts.** Should your Account be closed one or more times by withdrawal of the balance of the Account, and later reopened by you, such reopened Account shall be subject to all of the terms and conditions of this Agreement, whether or not any new Application or Account agreement is signed.

16. **Governing Law.** This Agreement shall be governed by the Texas Credit Union Act, the Rules and Regulations of the Texas Credit Union Department, our Bylaws, and to the extent not preempted by federal law, the laws of the State of Texas. You acquiesce and submit to personal jurisdiction in the State of Texas. Venue is proper in Dallas County, Texas.

17. **Credit Reports.** You authorize us to check your credit and employment history, and to request and use credit reports when considering any application to open an Account or any application for related financial services.

**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 or may report to a credit bureau is inaccurate or incomplete, please notify us in writing. Include your name, address, home telephone 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 report filed with law enforcement authorities.

h. We may adopt policies from time to time under which we may issue Debit Cards, PINs or security codes in connection with Online Banking, or other electronic access devices (collectively, "access device") to persons designated by the Account Owner, at the Account Owner's request. You acknowledge and agree that the issuance of an access device in connection with a Business Account affords ready access to the Account by the person or persons authorized by the Account Owner, as well as other persons who are provided access to the access device or who otherwise obtain the access device whether by way of negligence, theft, collusion, or otherwise. As a result, you acknowledge and agree that the Account Owner and the persons authorized by the Account Owner to receive an access device are solely responsible for their use and that we will not be liable for any loss resulting from the unauthorized use of the access device unless otherwise provided in any disclosures you may receive. You agree that the provisions of the Electronic Fund Transfers Agreement and Disclosures addressing our liability and any limitation upon your liability for unauthorized transfers shall not apply to electronic fund transfers when made to or from a Business Account.

i. In order to add or delete Authorized Signers from any Business Account, (i) the Account Owner may close the Business Account and open a new Business Account through the execution of a new Application or (ii) the Account Owner may modify the Business Account to provide for any such addition or deletion by completing a new Membership Application or such other form as we may require, bearing the signatures of all persons who thereafter are authorized to sign on behalf of the Account Owner. In order to add or delete Authorized Signers on any Business Account, whether by way of Account closure or modification, we may require the presentment of a new certificate of corporate resolution or a new certification and authorization in the case of a sole proprietorship, partnership, association, or other business

entity, specifying the action to be taken and setting forth those individuals who thereafter will be authorized to transact business on behalf of the Account Owner. You acknowledge and agree that, if the Account Owner elects to add or delete Authorized Signers by way of an Account modification rather than by closing the Accounts, we may not be able to verify effectively whether any check presented is signed by an Authorized Signer, and you agree that we are not required to examine any such instruments presented. In the event of an Account modification, you agree that the Account Owner is solely responsible for denying any deleted signer access to the Business Account and that we will not be liable for the payment of checks or orders signed or made by any deleted signer.

- j. Business Accounts are subject to the rates and fees set forth periodically on our Truth in Savings Rate, Fee and Account Disclosures, which are incorporated herein. You acknowledge and agree that the Truth in Savings Rate, Fee, and Account Disclosures are made for the benefit of, and are applicable only to, natural person members of the Credit Union who hold an Account primarily for personal, family, or household purposes. To the extent that those disclosures are also accurate with respect to Business Accounts, they are provided for informational purposes only without any corresponding intent to extend coverage of the Truth in Savings Act and its implementing regulations to Business Accounts. The following Truth in Savings disclosures, generally, are accurate with respect to Business Accounts: (i) Dividend and Interest Rates and APYs, (ii) Rate Information, (iii) Minimum Balance Requirements, (iv) Bylaw Requirements, (v) Transaction Limitations, (vi) Par Value of Shares, (vii) Nature of Dividends, and (viii) the National Credit Union Share Insurance Fund.
- k. The Account Ownership provisions set forth in this Account Agreement are inapplicable to Business Accounts.

to the Owners of the Account or in satisfaction of any obligation owing to us, in any manner we deem appropriate, if (a) any of the events set forth in the preceding paragraphs 8 or 10 should arise, (b) we believe that we 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, (c) we determine that any party to the Account or party claiming an interest in the Account has been abusive in the use of the Account or in the conduct of his or her affairs with the Credit Union, or (d) there has been a change in Account ownership or a change with regard to the persons authorized to sign on the Account.

An early closure fee may apply if the Primary Savings Account is closed within one year of opening. Refer to the Truth In Savings Disclosures and Rate and Fee Schedule.

**11. Death or Incompetence of Account Owner.**

We may continue to accept deposits to an Account, to pay items drawn against an Account, to pay other payment orders against an Account, and allow any other transactions with respect to an Account until we are notified of an Account Owner's death or of an adjudication of incompetence and we have a reasonable opportunity to act upon any such notice.

Subject to our policies and procedures, and subject to any separate agreement we may enter into with any surviving Account holder, once we are notified of a member's death or adjudicated incompetence, we may pay items drawn against the Account or other payment orders authorized by the deceased Account Owner for a period of ten days after the Account Owner's death unless we are ordered to stop payment by a person claiming an interest in the Account. We may require any person claiming an interest in the Account to indemnify us against any losses arising out of the payment of any such claim, and this Account Agreement will be binding upon the heirs or legal representatives of any deceased Account Owner or any Account Owner who is adjudicated incompetent. We may continue to pay interest 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 that the funds be transferred to the surviving Joint Owner's Account.

**12. Attorney's Fees.** In addition to any other rights we may have at law or under this Agreement to recover fees

## CHECKS AND WITHDRAWALS

withdrawal limitations on any of your Accounts at any time, including your ability to access your Accounts electronically or otherwise, if you are delinquent under any obligation you owe to the Credit Union.

8. **Power of Attorney.** You agree that we shall be under no obligation to recognize and honor any power of attorney that authorizes someone to deal with your Account on your behalf.

Transactions involving custodial Accounts, such as withdrawals, deposits, and investment changes, may be made by an agent duly authorized pursuant to a durable power of attorney legally enforceable under applicable law if such power of attorney clearly and specifically authorizes such transactions, except that we will not accept the use of a power of attorney to effect changes to any beneficiary designations.

In the event that we do accept a Power of Attorney on an Account, you agree to notify us, in writing, if a revocation of that Power of Attorney has been made. We will not be liable for any payment or action of a person acting under a Power of Attorney until we receive such written notice and we have had a reasonable time to act on it. We may choose not to accept a Power of Attorney unless it contains certain elements that we require to be included in the document.

9. **Withdrawal of Services.** In the event that any member 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 any Credit Union member has been abusive in the conduct of his or her affairs with the Credit Union, it is our policy to withdraw member services otherwise extended to that member, including but not limited to the right to maintain certain Accounts, the right to payment of certain dividends or interest, and the availability of electronic fund transfer services, and you agree that we may do so. Your Credit Union membership may be terminated if you cause us a loss.

10. **Closing the Account.** Any party to an Account may close the Account at any time, except that no Joint Owner may close the Savings Account of a member or reduce the balance of any such Account below the par value of one share. Your right to close an Account is subject to any statutory or contractual lien existing in our favor and any legal process levied against any such Account. We may close any Account at any time and disburse funds on deposit in any such Account

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 that we provide or otherwise expressly approve in writing. You agree to complete checks using non-gel black or dark blue ink that will transfer well during any imaging of the check. We will not be liable for any resulting losses, and you agree to indemnify and hold us harmless, if you fail to follow the requirements in this paragraph. In the event that the applicable Account has sufficient funds on deposit to cover one or more but not all of the checks or other withdrawal orders presented during any given business day, we may honor those items and allow those withdrawals in any order that we may choose in our sole discretion, including honoring any withdrawal orders or checks payable to us first and dishonoring or refusing any other item or withdrawal order for which there are insufficient funds available thereafter. In making distributions upon the death or disability of any party, you agree that we may rely upon the form of the Account at the time of any such death or disability.

2. **Stale Items.** We are under no obligation to pay a check that 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.** You agree to maintain funds in your Accounts at all times sufficient to pay any withdrawal order (whether oral, written, or otherwise) or item presented for payment against the applicable Account. We are under no obligation to pay any order or item (a) the amount of which exceeds the available balance in the Account upon which the order was made or the item was drawn, or (b) that would exceed limitations imposed upon the applicable Account under our policies and procedures, or under applicable law, including Federal Reserve Board Regulation D. In the event that we do pay any such item, we will not waive our right to dishonor

any subsequent items presented. If we do pay an item, the amount of which exceeds the balance in the Account upon which it is drawn, 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 that we might assess.

You also authorize us to deduct any overdraft from your next deposit (including a direct deposit of social security or other government benefits), to withhold or to transfer funds from any other Account to which you are party in amounts sufficient to cover any overdraft and overdraft fees, or to use any other collection remedy available to us by law.

If your Account remains overdrawn for more than 10 days, you authorize us to add any overdrawn balance to your Southwest Financial Federal Credit Union Line of Credit; Open End Credit Plan; or to advance funds from your credit card available credit, if applicable, in an amount sufficient to cover any overdrawn balance.

In the event that any electronic debit entry would create an overdraft in your Account, you agree that the terms and conditions set forth in this Account Agreement governing overdraft and overdraft protection shall apply. You agree that the Credit Union shall be authorized to recognize the signatures set forth on any ACH Agreement or authorization form signed in connection with your Accounts, in making debit entries from and credit entries to your Accounts, and in the payment of funds or the transaction of any business for your Accounts.

#### **4. Automatic Share Transfer (Overdraft Protection).**

In the event that you write a check or take any other action that would result in an Account becoming overdrawn, and if you have requested and been approved for automatic share transfer (overdraft protection), such check or action taken shall be deemed to be a request by you to us to transfer available funds from your Savings or other designated Account we permit, or to make an advance under your Overdraft Line of Credit with us, in increments that we deem sufficient to pay such check or otherwise remedy the overdraft, together with any service charge we may impose. We will use our best efforts to transfer funds to your Checking Account from your Savings or other Account, or to make an advance under your Overdraft Line of Credit, in the manner in which you have directed in the Application. A fee may be charged for overdraft protection as set forth

indebtedness of any one or more Owners, and you agree that we will not be liable for dishonoring checks or other items where the exercise of our lien or any right of offset that may exist results in there being insufficient funds in the Account to honor such items.

If we cash a check for you, or at your request, over the counter 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. 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 that 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 on shares and deposits shall not be construed so as to diminish or forfeit any security interest in or indebtedness secured by such residence, nor shall our lien be construed so as to permit the modification of any claim we may have under 11 U.S.C. §1322(b)(2), and to the extent that this lien is so construed, it is hereby waived and shall be void.

**7. Dispute Resolution.** If (a) we suspect that fraudulent misconduct is or has taken place with respect to any Account, (b) we are notified that a party to an Account has died or is incompetent to manage his or her affairs, (c) 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, (d) there are competing claims to funds on deposit, or (e) we are in doubt concerning the respective interests of any parties to an Account, we may restrict withdrawals from the Account until we are satisfied that any obligation we may have at law and under this Agreement has been met or until any such dispute, doubt, suspected fraudulent misconduct, or probate matter has been resolved by a court of competent jurisdiction or by written settlement agreement entered into by all parties to the Account and any third party making claim to funds in any such Account.

You agree 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 out of any other Account in which you have an interest.

You agree, further, that the Credit Union may impose

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 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.

5. **Legal Process.** You agree that we may debit your Account for charges and costs, including attorney's fees, in connection with negotiations, responses, appearances, and the production of statements, items, or other documents pursuant to 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 lien set forth below, and you authorize us to exercise that contractual lien whether or not any outstanding obligation is in default, subject to applicable law.

6. **Contractual Lien.** Unless otherwise prohibited by applicable law or our policies and procedures, you may pledge all or any part of your shares and deposits as security for any loan. In addition to any lien we have as a matter of law, you grant us a contractual lien on all shares, deposits, and accrued dividends and interest in any Account in which you have an interest to the extent of any loans made to you and any other obligation of yours that you owe to us, which lien secures repayment of any such loan or obligation to the extent not prohibited under the federal Truth in Lending Act.

You are not giving a security interest in any shares or deposits in an IRA 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 Owner owing to us. You agree that we may exercise our lien and apply the entire amount in any such Account against the indebtedness of any Owner owing to us notwithstanding the interest of any other Owner in the Account, and without notice.

You agree to pay us all expenses and costs, including attorney's fees, that we may incur in defending or enforcing our right to exercise our lien against the

in the Fee Schedule. If sufficient funds are not available, then any such item presented may be returned to the payee due to non-sufficient funds and a charge will be made to your Account in such amounts as we may establish from time to time. Each party to any of your Accounts will be jointly and severally liable for overdrafts caused by any other party to such Account.

**In accordance with federal regulation (Reg D),** during any statement period you may not make more than six withdrawals or transfers from your Savings Account or Money Market Account to another Credit Union Account of yours or to a third party by means of a pre-authorized or automatic transfer or telephonic (including data transmission) agreement, order, or instruction. Overdraft protection transfers from your Savings Account are counted against this limitation. If you exceed that limit, your Account may be subject to closure. **If you exceed that limit, your checks are subject to return and/or insufficient funds charges. Please monitor your Accounts to insure sufficient funds are available in your Checking Account, and avoid this type of activity.**

In the event that the Credit Union reasonably believes that use of your Account or Accounts is abusive due to excessive checks drawn on non-sufficient funds, excessive activity, or otherwise, your Account may be closed.

5. **Courtesy Pay.** We offer our Courtesy Pay program to all members in good standing with qualifying personal checking accounts. We may, at the Credit Union's sole discretion, pay members reasonable overdrafts as a non-contractual courtesy. We may refuse to pay an overdraft at any time, even though we may have paid previous overdrafts.

Whether we pay or return a Non-Sufficient Funds item, a per-item fee will be charged to your account as a Non-Sufficient Funds or Courtesy Pay charge, as set forth in the Credit Union's Rate and Fee Schedule. There is not an additional fee for the payment, in lieu of return.

This is a discretionary service, subject to policies and procedures established by the Board of Directors of the Credit Union and terms and conditions acceptable and appropriate under current laws and regulations. It is not an obligation of the Credit Union to provide this service. We may refuse to provide the courtesy on any account at any time and from time to time.

In the event that we pay items on your account that you have authorized, you agree that your Account, in no event, shall remain overdrawn for a period to exceed 30 days. Your Account may be subject to closure and collection at that time. You may opt out of this service by contacting us at (214) 630-7111 or (800) 259-9595.

In the event that any electronic debit entry would create an overdraft in your Account, you agree that the terms and conditions set forth in this Account Agreement governing overdraft and overdraft protection shall apply. You agree that the Credit Union shall be authorized to recognize the signatures set forth on any ACH Agreement or authorization form signed in connection with your Accounts, in making debit entries from and credit entries to your Accounts, and in the payment of funds or the transaction of any business for your Accounts.

6. **Checks.** You acknowledge that we employ an automated collection procedure in order to more efficiently handle the high volume of items we process, and for that reason, our procedures generally do not include sight-review of items. You acknowledge and agree that reasonable commercial standards do not require us to sight-review every item presented and that any failure to sight-review does not constitute a lack of ordinary care in the payment of any item.

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, subject to any fee disclosed on the Fee Schedule. 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.

7. **Signatures.** You authorize us to recognize any of the signatures set forth on the Application in the payment of funds or the transaction of any business for your Accounts. You authorize us to pay a check presented for payment even though the signature or signatures thereon do not correspond exactly with the signatures on the Application. We are not obligated to honor a check unless the signature or signatures do correspond exactly with the signatures on the Application. We may recognize facsimile signatures, signatures imprinted by mechanical devices, or any authentication method, including orders to pay received electronically or telephonically. We

3. **Inactive Accounts.** We are required by law to preserve an Account that is inactive. An Account is inactive if for more than one year there has not been a debit or credit to the Account because of an act by you or your agent (other than us) and you have not communicated with us. An Account is presumed abandoned if (a) the Account has been inactive for at least five years from the date of your last transaction on the Account or your last correspondence with us, and (b) we are unable to locate you. If an Account is presumed abandoned, we are required to report the abandonment and to pay the funds in the Account to the State.

4. **Account Statements.** You are responsible for promptly examining each Account statement. Any objection that you may have respecting any unauthorized withdrawal, any payment order (including a wire transfer), or any other item or deposit shown on or missing from a statement, except for electronic fund transfers to or from a consumer account, will be waived unless made in writing to us, and received on or before the 30<sup>th</sup> day following the date the statement is mailed, subject to applicable law. You agree that we will not be liable for any unauthorized withdrawal, any payment order, any forged, unauthorized, or altered item drawn on or deposited to your Account, 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 30-day period, nor will we be liable for any forged or altered item if the forgery or alteration is not readily ascertainable upon inspection. 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 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. Please refer to your Electronic Funds Transfer Agreement and Disclosures to determine your obligations in the event of unauthorized electronic fund transfers or other errors in connection with such transfers.

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

initially credited was incorrect, we may correct any such error and make corresponding adjustments to your Account in order to reflect the correction.

5. **Non-sufficient Funds (NSF) Deposits.** A deposited check that is later returned due to non-sufficient funds on deposit or for another reason, shall be the responsibility of the Owner(s) of the account in which it was deposited. You acknowledge and agree that the Credit Union will deduct the funds from your Account. The Credit Union is not responsible for the collection of the funds from the third party. The Credit Union is under no obligation to pay dividends accrued during the time the funds were on deposit. Any deposited check that is later returned may incur a charge, which is set forth on the Truth-in-Savings Disclosures and Rate and Fee Schedule.

## GENERAL PROVISIONS

1. **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 regardless of whether recipients are required to file tax returns. Credit unions and other payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number. Certain penalties may also apply. In the event that (a) you have been notified by the IRS that you are subject to backup withholding due to payee underreporting and you have not received a notice from the IRS that the backup withholding has been terminated or (b) you provide us with an incorrect taxpayer identification number, the Credit Union is required to withhold payment, in part, of dividends or interest owing to you in amounts determined by the IRS and to pay interest or dividends withheld to the IRS.

2. **Individual Retirement Accounts.** If your Account is held as an Individual Retirement Account, your Account will be governed, additionally, by the Custodial Agreement that is provided to you at the time you open your Account. We may accept rollover contributions of cash or qualifying employer securities from a qualified plan maintained by an affiliated employer group. We will hold rollover contributions of such qualifying employer securities without investment responsibility or liability.

may accept and pay drafts that are submitted by third parties to whom you have voluntarily given or otherwise disclosed your Account number and any such payment is deemed authorized by you. You agree that we may act upon and rely upon any 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. You agree that we may maintain electronic copies of Account records 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.

8. **Postdated, Incomplete and Conditional Items.** You agree to hold us harmless from any and all loss and liability that 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 we may disregard any information on any check or draft other than the amount of the item, the identity of the drawee bank, any magnetically encoded information, and the signature of the drawer, regardless of whether that information is consistent with any other information on the item. You agree that we may decline to accept, process, or pay any item or order that, 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 that we may incur or that may arise in connection with our attempts to resolve any such ambiguity. We may pay a draft without regard to its date unless you notify us of a postdating. The notice must be given to us in time so that we can notify our employees and reasonably act upon the notice and must accurately describe the draft, including the exact number, date and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the draft. We are not responsible if you give us an incorrect or incomplete description, or untimely notice. We may at our discretion, honor an oral postdating notice, which lapses in fourteen (14) calendar days unless confirmed in writing. If we honor an oral postdating request we are under no obligation to honor all such requests. A written notice is effective for six (6) months and may be renewed in writing from time to time. You agree not to deposit

checks, drafts, or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account, which is presented more than six (6) months past its date.

**9. Wire Transfers, Automated Clearing House (ACH) and Other Payment Order Transactions.**

- a. Governing Regulations.** If any owner sends or receives a wire transfer, Fedwire may be used. Federal Reserve Board Regulation J is the law that covers transactions made over Fedwire. If you are a party to an Automated Clearing House (ACH) entry, you acknowledge and agree that any such entry will be governed by the National Automated Clearing House Association (NACHA) Operating Rules, the rules of any local ACH, and the rules of any other system through which the entry is made. Other payment orders you make may be governed by Article 4A of the Texas Business & Commerce Code.
- b. Notification.** Under 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 you 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 a 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 can 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 1.5 inch marking on that end of the check or draft.

This area is reserved for all payees' indorsements. You agree that you will not place an indorsement, other writing, or marking on a check or other negotiable demand draft in the area reserved for other indorsements as prescribed in Federal Reserve Board Regulation CC including Appendix D. You agree to hold us harmless from any loss or liability, including consequential damages, attorney's fees and expenses arising in connection with your failure to adhere to our indorsement and encoding standards and those of Regulation CC, including, but not limited to, any loss or liability resulting from improper encoding or a delay in forwarding or returning a check caused by an indorsement that is not readable or some other condition on the back of the check caused by you, which adversely affects the ability of a financial institution to indorse the check legibly in accordance with Regulation CC. The Credit Union does not adhere to indorsement restrictions limiting payment to a particular person or prohibiting further transfer or negotiation of the instrument.

**3. Right to Refuse Deposit/Right to Send Item For Collection.** 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 that may arise because of our acceptance of the item.

The Credit Union retains the right to send any item for collection. In addition to fees assessed by other institutions, Southwest Financial Federal Credit Union may charge a fee for this service. These fees will be charged against your Account. You will be informed at the time the item is received for deposit if the item will be sent for collection or refused for deposit. If the item is received by mail or through a drop-box, you will be notified, in writing, no later than the first business day after the day the deposit is received.

In any event, in our discretion, we may refuse any deposit, limit the amount that may be deposited, accept all or any part of a deposit for collection only, return all or any 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

## DEPOSIT OF ITEMS

1. **Handling of Items.** We act only as a collecting agent for any items deposited. Any deposit that we accept will be provisional and will be subject to subsequent payment verification. We are not responsible for any deposit or other transaction initiated by mail until the item is actually received. We will not be responsible for any deposit or other transaction made through the use of our night depository or any other unattended facility until the item or items are actually removed from the depository or facility by our personnel. We will not be responsible for any deposit or other transaction during the course of delivery to us by any courier or other third party until the item or items are actually received by our personnel. We have the right to endorse all checks payable to you for deposit into your Account. We will not be liable for the negligence of any correspondent bank or institution nor for any loss incurred in transit when items are forwarded to correspondents. We will not be liable for any delay as a result of any interruption of communication facilities or any other circumstances beyond our control. You agree to bear the risk of any change in the exchange rate with respect to any items that may be payable in foreign currency. You agree that we may charge back any item before payment without notice, regardless of whether the item has been returned. You agree that, if a check deposited to your Account or cashed by you at the Credit Union is subsequently returned based upon a breach or alleged breach of any transfer warranty, presentment warranty, or otherwise, we 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. You also agree that, if we are charged a fee by any other institution in connection with any of your Accounts, that fee expense may be charged to your Account.

2. **Indorsement Standards.** All parties listed as payees on the face of the check should indorse the back of the check. The Credit Union reserves the right to refuse a check that does not appear to be properly indorsed.

Federal law specifies where each party must indorse a check. You understand that your indorsement should appear on the back of the check on the same end as the "Pay to the order of" language on the front side of the check and the indorsement must not extend beyond

the transaction has a duty to determine whether the number given matches the intended beneficiary or the named financial institution.

- e. **Dividends Payable.** We are not required to pay dividends 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 and promptly 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 interest rate that we pay on the Account to or from which the funds transfer should have occurred.
- f. **Security Procedures.** You agree that we may verify the authenticity of payment orders using our security procedures in place at the time of any such order, which 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.
- g. **Cutoff Times.** Transfers, payment orders, and communications canceling or amending payment orders received after 2:30 p.m. on each weekday we are open that is not a holiday and on Saturday may be treated as having been received on the next banking day and processed accordingly.
- 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.
- i. **General.** You agree that only our forms,

methods, and procedures may be utilized. You also agree that in the event of an error, we may correct any such error without prior approval by you. Any authorization you make to initiate paperless debit or credit entries will remain in effect until we receive written notice from you that your authorization has been revoked in a manner and in time to provide us with a reasonable opportunity to act on it.

10. **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 that we may incur, including attorney's fees, resulting from our refusing payment of any item on which you have stopped payment or from the 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. A stop payment order, a renewal of an order, or a revocation of any such order shall not be effective unless delivered to us in writing to a member of our staff during our regular business hours 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 on the next banking day after the banking day on which we received the item. Due to computer systems constraints, we can intercept an item subject to a stop payment order 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, we will not be responsible if we are unable to stop payment. If the order is made orally, we have no obligation to honor it. If we do honor an oral stop payment order, it will only be binding for 24 hours, after which it must be renewed in writing. Any stop payment order, renewal, or revocation will incur a charge as set forth on 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 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 of that inadvertent payment. 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 agree to 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. For information concerning your right to stop payment of preauthorized electronic funds transfers, please refer to your Electronic Funds Transfer Agreement and Disclosures.

In the event that you instruct us to stop payment of certain pre-authorized debits, you acknowledge and agree that, at our option, we may stop payment of all pre-authorized debits from your Account if we deem that action necessary to ensure that your stop payment order will be effective. For more information concerning your right to stop payment of pre-authorized electronic fund transfers, please refer to your Electronic Funds Transfer Disclosures.

You may not stop payment of official or teller's checks or Credit Union checks issued by us at your request. In the event that you request that we stop payment of any teller's, official, or Credit Union check, we shall be under no obligation to do so. However, if we do agree to stop payment pursuant to your request, you may be required to provide us with an indemnity agreement and bond supported by such surety or sureties as we may deem sufficient, to indemnify us against any possible loss in connection with the presentment or payment of the original item. In any case, you agree to be responsible for the stop payment order, in the event that we choose to honor your request.

11. **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 no event will we be liable for consequential damages. The term ordinary care shall be construed in keeping with the definition of that term in Article 3-103(a)(7) of the Uniform Commercial Code as amended in 1990. We will be deemed to have exercised ordinary care if we have observed reasonable commercial standards prevailing for credit unions in the area where you are located.