

Universal Account Agreement



Contents

Terms and Conditions of Your Account	2
Electronic Funds Transfer Agreement and Disclosures— Your Rights and Responsibilities	16
Funds Availability Policy— Your Ability to Withdraw Funds	25
Truth-in-Savings Account Disclosures	26
Internet Services	29
Plastic Card Losses	28
Member Suggestions or Complaints	29
ATMs and Shared Branching.	30

Terms and Conditions of Your Account

Account Agreement

In this Agreement, the words “you,” “your,” “party,” and “Owner” mean any and all persons or entities who sign an Application for Membership or any other application in connection with the opening of any Account with Air Force Federal Credit Union, any such person or entity who maintains an Account with us, any Joint Owner, and any other person or entity authorized to use or having access to any such Account. The words “we,” “us,” “our,” and “Credit Union” mean Air Force Federal Credit Union.

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

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

Truth-in-Savings Disclosures

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

Account Ownership

1. Single Party Account. Under this type of Account ownership, the sole party to the Account owns the Account. If you open a Single Party Account, upon your death and without a Payable on Death (P.O.D.) designation, ownership of the Account passes as part of your estate under your Will or by intestacy.

2. Joint or Multiple Party Account with Right of Survivorship. If an Account is opened by two or more parties, or if one or more parties are added to a single party Account, the Account will be a Joint or Multiple Party Account with Right of Survivorship. The parties to the Account

own the Account in proportion to the parties' net contributions to the Account. All funds deposited into that Account, including any earnings thereon, shall be owned by you jointly, with all others who sign the Application, with right of survivorship. On the death of one party to such Account, all sums in the Account on the date of the death vest in and belong to the surviving party or parties as his or her separate property and estate. Payment to any Owner shall be valid and discharge the Credit Union from any and all liability for such payments. The Credit Union may accept instructions from any Owner or act at the request of any Owner with regard to any such Account without the joinder of any other Owner. Each Owner authorizes the other Owners to act on his or her behalf with respect to the Account, and to endorse any instrument payable to him or her for deposit to any such Account. Any Owner may pledge all of the shares in the Account to secure any indebtedness owing to the Credit Union or may designate the Account to provide overdraft protection for any other Account, subject to Credit Union policies, without the joinder of any other Owner and without regard to his or her interest in the Account. In the event that any Account may be accessed by means of an Electronic Fund Transfer, including the use of a Visa® Debit Card issued in connection with the Account or any telephone or computer access program, each Owner grants to every other Owner actual authority to initiate any such transfer, to use any such Visa Debit Card issued or to use any Personal Identification Number issued in connection with any such telephone or computer access program. The Credit Union makes no representation concerning the legal consequences or the effect of survivorship rights, including any consequences arising out of the community property laws of any state, and you agree to hold us harmless from any loss or liability in connection with any survivorship designation. You understand that you should consult applicable law or your attorney if you have any question regarding the validity, effectiveness, or fitness of a survivorship designation for any purpose.

A member opening a Joint or Multiple Party Account with Right of Survivorship may, without notice to any other Owner of such Account, and upon written notice to the Credit Union in such form as the Credit Union may require, remove any other Owner from any such Account, change the form of the Account, or stop or vary payment under the terms of the Account. Any such action by that member will terminate any interest that the removed Owner may have in such Account. The above notwithstanding, the Credit Union, at its option, may require that an Account be closed and a new Account opened in lieu of permitting a member to remove any other Owner, or the Credit Union may require the joinder and consent of any other Owner prior to acting upon any written notification or instruction to remove another Joint Owner from an Account.

3. P.O.D. (Payable on Death) Account. 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 Application or any Signature Card executed in connection with the Account. You agree that the persons named as P.O.D. payees, whether one or more, are designated as P.O.D. payees. During your lifetime, all funds paid into or deposited into the Account designated, including any earnings thereon, shall be owned by you and payment may be made upon your request or the request of any party to the Account. Upon your death (the death of the last of you to survive), each P.O.D. payee agrees that all such funds shall be owned by the P.O.D. payees surviving, with right of survivorship. At our option,

payment may be made at the request of any 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 the Credit Union harmless from any claim asserted by any person or estate as a result of the payment of funds deposited in the Account designated. You understand that a P.O.D. designation shall be ineffective with regard to an Account maintained as an Individual Retirement Account. You understand and agree, further, that a P.O.D. designation may be ineffective unless signed by all original parties to the Account. The Credit Union makes no representation concerning the legal consequences or effectiveness of any P.O.D. designation, and you understand that you should consult with your attorney if you have any question regarding the validity, effectiveness, or fitness of any such P.O.D. designation for any purpose.

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

5. Trust Account. The parties named as trustees to the Account own the Account in proportion to the parties' net contributions to the Account. A trustee may withdraw funds from the Account. A beneficiary may not withdraw funds from the Account before all trustees are deceased. On the death of the last surviving trustee, the ownership of the Account passes to the beneficiary. The Trust Account is not a part of a trustee's estate and does not pass under the trustee's will or by intestacy, unless the trustee survives all of the beneficiaries and all other trustees

6. Guardianship/Custodial. A Guardianship/Custodial Account is set up to hold funds under a court or agency appointed guardianship. A Letter of Guardianship is required to open this Account..

Checks and Withdrawals

1. Payment Authorization. You authorize us to pay checks signed by you and charge the payments against the applicable Account. Only checks or other methods approved by us may be used to withdraw funds from your Account. You agree that it will be your responsibility to verify the accuracy of information appearing on any checks, deposit slips, or other forms, and you agree that we will not be liable for any printing errors on any such forms. All checks, withdrawal forms, deposit slips, and transfer instructions used in connection with any Account must be on forms, which we provide or otherwise expressly approve in writing. You agree to complete checks using a non-gel black or dark blue ink that will readily transfer during any imaging of the check. We will not be liable for any resulting losses, and you agree to indemnify and hold us harmless, if you fail to follow this requirement. In the event that the

applicable Account has sufficient funds on deposit to cover one or more, but not all of the checks or other withdrawal orders presented during any given business day, we may honor those items and allow those withdrawals in any order that we may choose in our sole discretion including withdrawal orders or checks payable to the Credit Union and dishonor or refuse any item or withdrawal order for which there are insufficient funds available thereafter. In making distributions upon the death or disability of any party, you agree that we may rely upon the form of the Account at the time of any such death or disability.

2. Stale Items. We are under no obligation to pay a check which is presented for payment more than six months from its date. In the event that a check drawn on your Account is payable, by its terms, within a stated period of time, we are under no obligation to pay that check if it is presented after the expiration of that time period.

3. Overdrafts and Overdraft Protection. You agree to maintain funds in your Accounts at all times sufficient to pay any withdrawal order (whether oral, written or otherwise) or any item presented for payment against the applicable Account. We are under no obligation to pay any order or item, the amount of which exceeds the balance of the Account upon which that item was drawn. In the event that we do pay any such item, we will not waive our right to dishonor any subsequent orders or items presented. If we do pay an item, the amount of which exceeds the balance in the applicable Account, or if any item deposited to your Account is subsequently returned and charged back to your Account creating an overdraft, you agree to pay us immediately the amount by which that Account is overdrawn together with any fees which we might assess. You also authorize us to deduct any overdraft from your next deposit (including a direct deposit of social security or other government benefits), to withhold or to transfer amounts from any other Accounts to which you are a party in amounts sufficient to cover any overdraft and overdraft fees, or to use any other collection remedy available to us at law. In the event that you write a check or take any other action which would result in an Account becoming overdrawn, and if you have requested and been approved for automatic overdraft protection, such check or action taken shall be deemed to be a request by you to us to transfer available funds from your Savings Account(s) or any other Accounts you may designate, or to make an advance under any Line of Credit you may have with us from which overdraft protection is available, 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 Account(s) or to make an advance under your 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 in the Truth-in-Savings Fee Schedule. If sufficient funds are not available for an item, then any such item presented will 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. If sufficient funds are not available for an item and you have exhausted overdraft funds available from these sources, the Courtesy Pay service may cover your overdrafts, up to \$750.00 including fees if you qualify. Courtesy Pay dollar limits are determined by using the average of deposits to the Account for the previous 90 days with a maximum being \$750.00 and only pertains to Share Draft (checking) Accounts. Courtesy Pay will not cover overdrafts if you have refused this service or your Account does not qualify. Qualifications for Courtesy Pay are as follows: the Share

Account must be a Share Draft Account, the Account has been open for more than 90 days, the Account is in good standing, the Account owner is at least 18 years of age, the Account has no delinquent loans and the Account's deposits are being made on a regular basis. A fee will be assessed for each item paid by Courtesy Pay (see Truth-in-Savings Fee Schedule for fee amount). You have 15 days to bring the Account back to a positive balance before your Courtesy Pay is suspended, and in the event the Account is not brought to a positive balance within 30 days of the first negative balance, your Courtesy Pay will be revoked and you must ask in writing for it to be reinstated. If you do not have Courtesy Pay for a transaction in most cases your transaction will be declined or returned to the payee due to Non-Sufficient Funds and a fee will be charged to your Account in such amounts as set forth in the Truth-in-Savings Fee Schedule. Courtesy Pay will automatically be added to your Share Draft Account if you qualify, and you will be notified of your dollar limit. Effective July 1, 2010, Courtesy Pay will only cover checks, ACH items and reoccurring Visa Debit Card transactions. For an ATM or one time debit card transaction, you have to choose to Opt-In for this service. We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined. If you have chosen to not Opt-In, your one time Visa Debit Card and ATM transactions will be declined if there are not sufficient funds in your Account. You may Opt-In or Out of this service at any time. Each party to any of your Accounts will be jointly and severally liable for overdrafts caused by any other party or parties to such Account. In the event that the Credit Union reasonably believes that your use of your Account or Accounts is abusive due to excessive checks drawn on insufficient funds, excessive activity, or otherwise, your Account may be closed.

4. Signatures. You authorize us to recognize any of the signatures set forth on the Application in the payment of funds or the transaction of any business for your Accounts. You authorize us to pay a check presented for payment even though the signature or signatures thereon do not correspond exactly with the signatures on the Application. We are not obligated to honor a check unless the signature or signatures do correspond exactly with the signatures on the Application. We may recognize facsimile signatures, signatures imprinted by mechanical devices or any authentication, including orders to pay that are received electronically or telephonically. You agree to indemnify and hold us harmless from any losses resulting from our honoring an item which bears or purports to bear a facsimile signature resembling a facsimile signature on file with us, regardless by whom or by what means the actual or purported signature was affixed to the item. You agree that we may act upon and rely upon documentation, correspondence, or other instructions with respect to your Accounts which we receive by way of electronic or facsimile transmission, including Account Agreements, Requests to Modify Accounts, Loan Agreements, and any other orders with respect to your Accounts, and you agree to such verification procedures as we may implement from time to time.

5. Postdated, Incomplete and Conditional Items. You agree to hold us harmless from any and all loss and liability which we may incur due to our inadvertent payment of incomplete or postdated items, items indorsed "without recourse" or conditional items. You agree that we will not have any duty to discover or comply with postdated, incomplete or conditional items. You agree that we may disregard any information on

any check or draft other than the amount of the item, the identity of the drawee bank, any magnetic encoded information, and the signature of the drawer, whether or not 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 which, in our estimation, is ambiguous or otherwise unclear in its terms. You also agree that, at our option, we may use our best efforts to resolve any such ambiguity and you agree to release and hold us harmless from any and all loss and liability which we may incur, or which may arise in connection with our attempts to resolve any such ambiguity.

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

- a. Governing Regulations.** If you send or receive a wire transfer, Fedwire may be used. Federal Reserve Board Regulation J is the law 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 was made. Other payment orders you make may be governed by Article 4A of the Texas Business and Commerce Code.
- b. Notification.** Under NACHA Rules, we are not required to give you next day notice of the receipt of 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 transaction have a duty to determine whether the number given matches the intended beneficiary or the named financial institution.
- e. Our Liability; Interest Payable.** We may be responsible for your direct expenses if we fail to exercise ordinary care in carrying out your instructions in connection with a wire transfer transaction. In no event, however, will we be liable for your attorney's fees or for any special, indirect, exemplary, or consequential damages (including lost profits) of any kind. We are not required to pay interest on any amount we may owe to you due to an unauthorized wire transfer arising out of our error unless you exercise ordinary care to discover the unauthorized transfer 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 dividend rate which we pay on the Account to or from which the funds transfer should have occurred.

- f. Security Procedures.** You agree that we may verify the authenticity of payment orders using our security procedures in place at the time of any such order, which 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 2:00 p.m. on each weekday we are open which is not a holiday may be treated as having been received on the next banking day and processed accordingly. If you request that we send a wire transfer, the wire transfer may not be processed until the next business day following the business day of your request.
- 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.
- 7. Stop Payment.** You may stop payment of items drawn on your Accounts. You agree to hold us harmless from any claim, loss, damage, or expense which we may suffer or incur, including attorney's fees, by virtue of our refusing payment of any item on which you have stopped payment, as well as for payment of any item after your stop payment order has expired. A stop payment order will be effective for six months and may be renewed upon a request made in writing to us. Stop payment orders for ACH items will be applied as follows: For a single ACH payment the stop payment will remain in effect until (1) written notice is received from the Account holder to revoke the stop payment; or (2) until payment of the entry has been stopped, whichever occurs first. For recurring ACH payments the stop payment will remain in effect permanently or until written notice is received from the Account holder to revoke the stop payment. A stop payment order, a renewal of any such order, or a revocation of any such order shall not be effective unless it is delivered to us in writing to a member of our staff during 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 after we received the item. Items subject to a stop payment order will not be intercepted unless the precise amount, date, check number, name of payee, and any other information that we may reasonably require is provided. If that information is not provided exactly as it appears on the item, we will not be responsible if we are unable to stop payment. 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 14 calendar days after which it must be renewed in writing. Any stop payment order, renewal, or revocation will incur a charge as set forth in the Truth-in-Savings Fee Schedule. You agree that we may honor a stop payment order, revocation, or renewal if made by the person who signed the check to be stopped or any other person who has signed

the Application or is otherwise authorized to transact business relating to the Account. You agree that we will not be liable for any inadvertent payment of any item, notwithstanding a stop payment order, if we have used ordinary care and followed our usual practices in handling such an order. If an item is inadvertently paid over a valid stop payment order due to our failure to exercise ordinary care, we may be liable to you for any loss you suffer as a result. You agree, however, that it will be your responsibility to establish any such loss. You agree that we will never be liable for more than your actual loss and that we will not be liable for any consequential damages. If we do credit your Account after paying an item over a valid stop payment order, you 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. You may not stop payment of certified, cashier's, or teller's checks issued by us at your request. You may not stop payment of transactions initiated through the use of a Visa Debit Card or similar device used at an ATM or point-of-sale terminal. For additional information concerning your right to stop payment of preauthorized electronic fund transfers, please refer to your Electronic Fund Transfers Disclosures.

8. Credit Union Liability. Except for losses caused by our failure to exercise ordinary care or our failure to act in good faith, you agree that we will not be liable for any action or inaction regarding the payment or non-payment of items, collection of items, other withdrawals, or transfer of funds in satisfaction of overdrafts. Subject to applicable law, you agree that we will never be liable for any consequential damages arising out of or related to our obligations under this Agreement.

Deposit of Items

1. Handling of Items. We act only as a collecting agent for any items deposited. Any deposit that we accept shall be provisional and will be subject to subsequent payment verification. We are not responsible for any deposit or other transaction initiated by mail until the item or order is actually received. We will not be responsible for any deposit or other transaction made through the use of our night depository or any other unattended facility until the items or orders 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 items or orders are actually received by our personnel. We have the right to indorse all checks payable to you for deposit into your Account. We will not be liable for the negligence of any correspondent bank or institution nor for any loss incurred in transit when items are forwarded to correspondents. We will not be liable for any delay as a result of any interruption of communication facilities or any other circumstances beyond our control. You agree to bear the risk of any change in the exchange rate with respect to any items which may be payable in foreign currency. You agree that we may charge back any item before payment, without notice, whether the item has been returned or not. You agree that, if a check that has been deposited to your Account or cashed by you at the Credit Union is subsequently returned based upon a breach or an alleged breach of any transfer warranty, presentment warranty, or otherwise, the Credit Union may charge back the amount of any such item to your Account at any time without notice. You agree that we may resubmit an item that has been returned to us for payment, and you waive notice that an item has been dishonored or charged back against your Account. 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. The area from the trailing edge of a check to 1.5 inches from the trailing edge of a check is reserved for the payee's indorsement. The trailing edge of a check is defined as the left side of the check looking at it from the front. You and all other indorsers must make your indorsement within this prescribed area. If any indorsement or other writing which you or any other indorser makes causes any error or delay in the processing of the item, you agree that you will be liable for any loss which we incur as a result of that delay or error, and you agree to hold us harmless from any such loss.

3. Right to Refuse Deposit. If you request that we accept a substitute check or any other check for a deposit that has already been deposited at a financial institution but returned, we are under no obligation to accept the check for deposit. If we do, however, you agree to hold us harmless from any loss or liability, including consequential damages, attorney fees, and expenses that may arise because of our acceptance of the item. In any event, in our discretion, we may refuse any deposit, limit the amount which may be deposited, accept all or part of any deposit, return all or part of any deposit, or close the Account subject to applicable regulations.

4. Deposit Verification. If a deposit is made to your Account and we subsequently determine that the amount of the deposit initially credited was incorrect, we may correct any such error and make corresponding adjustments to your Account in order to reflect the correction.

General Provisions

1. Taxpayer Identification Number and Backup Withholding. The Internal Revenue Service (IRS) requires most recipients of dividend, interest, or other payments to give taxpayer identification numbers to credit unions and other payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes. Credit unions and other payers must be given the numbers whether or not recipients are required to file tax returns. Under IRS rules, credit unions and other payers must generally withhold a percentage of taxable interest, dividends, and certain other payments to a payee who does not furnish a taxpayer identification number. Certain penalties may also apply. In the event that (i) you have been notified by the IRS that you are subject to backup withholding due to payee under reporting and you have not received a notice from the IRS that the backup withholding has been terminated or (ii) you provide us with an incorrect taxpayer identification number, the Credit Union is required to withhold payment, in part, of dividends owing to you in amounts determined by the IRS and to pay dividends withheld to the IRS.

2. Document Imaging. You acknowledge and agree that the Credit Union, at its option, may choose to create and retain electronic copies of your original Account records and any other records, and thereafter dispose of the originals. You further agree that electronically scanned or stored images of your Account records will have the same effect as the original records for any purpose, including admissibility in evidence as original records before any court or administrative agency.

3. Inactive Accounts. We are generally required by law to preserve an Account that is inactive. An Account is considered inactive if for more than one year there has not been a debit or credit to the Account because of an act by you or your agent (other than us) and you have not communicated with us. An Account is presumed abandoned if (i)

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 (ii) 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 (except electronic fund transfers) shown on or missing from a statement will be waived unless made in writing to us, and received on or before the 35th day following the date the statement is mailed or is otherwise made available, 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 35-day period, nor will we be liable for any forged or altered item if the forgery or alteration is not readily ascertainable upon inspection. You agree that no legal action may or will be instituted by you against us seeking the recovery of any alleged loss as a result of the payment of a forged, unauthorized, or altered item, or as a result of any missing or diverted deposit, or due to any other error or discrepancy unless you have provided us with such notice within the period prescribed above and any such legal action shall have been instituted within two years after the date that the statement containing any such error was mailed or otherwise made available to you. Please refer to your Electronic Fund Transfers Disclosures to determine your rights and obligations in the event of unauthorized electronic fund transfers or other errors in connection with such transfers.

Unless we adopt alternative procedures from time to time, checks drawn on your Account will not be returned to you and copies of checks will be made available to you upon your request according to the charges set forth in the Truth-in-Savings Disclosures Fee Schedule. That notwithstanding, you agree that your duty to examine statements promptly and your obligation to notify us in the event of any error is not waived or diminished in any respect by our retention of checks drawn on your Account.

You will receive an Account statement at least quarterly for your credit Union Accounts. It is your responsibility to ensure that your statements are received, and you agree that we will not be responsible for the loss or theft of your statements. You agree to notify us immediately if you fail to receive a statement for your Checking Accounts or Savings Accounts at least quarterly. It is important that you make note of the time that you regularly receive your statement, and you agree to notify us immediately, and in every event within 10 days of that time, if you fail to receive your statement.

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

5. Electronic Disclosures, Statement and Mail Consent. Federal law requires that we provide important disclosures and statements to you

regarding your Accounts and services with Air Force FCU. For your convenience, you may choose to receive these disclosures and statements, in addition to other mail from the Credit Union, electronically. You may print and download the disclosures and statements we provide electronically for future reference.

- Your consent to receive electronic disclosures, statements and mail applies to all disclosures, statements, mail and notices that we provide to you for your Air Force FCU Account only to be sent to any email address on file with Air Force FCU. This includes all disclosures, statements, mail and notices related to Deposit Accounts, loans and other financial services we offer. Please note that occasionally it may be necessary to provide a disclosure, statement or mail in paper form even after you have consented to receive all of your disclosures, statements and mail electronically.
- After you consent, you may request a free paper copy of any disclosures, statements, mail or notices that you have agreed to receive electronically by writing Air Force Federal Credit Union, Attn: Member Services, 1560 Cable Ranch Road, Suite 200, San Antonio, TX 78245, telephoning us at 210.673.5610, toll free at 800.227.5328, or emailing us at MemberServices@AirForceFCU.com. You may withdraw your consent to receive future electronic disclosures, statements and mail at any time by contacting us using one of the above methods. Your withdrawal will become effective after we received it and have had a reasonable opportunity to act upon it.
- If your e-mail address or any other contact information on file with us changes, you must notify us your updated information using any of the above methods. Please include your name and Account number when contacting us.
- To access the statements, disclosures and mail you have agreed to receive electronically, you will need a computer with a working Internet connection and Internet Explorer 4.0 or NetScape 6.0 or a later release of either browser. Adobe Acrobat 4.0 or later will be required to view your statements.
- In order to retain the electronic disclosures, statements or mail, you will need a printer or an average of 0.5 megabyte(s) of media storage per disclosure, statement or mail.

6. Illegal Transactions. You agree that you will not cause or allow your Accounts to be used in any manner or for any transaction that we believe poses an undue risk of illegality and we may decline to accept any such use or transaction. You further agree to waive any right to take legal action against the Credit Union for your illegal use of your Account and to indemnify and hold the Credit Union harmless from and against any lawsuits, other legal action or liability that results directly or indirectly from such illegal use.

7. 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 and statutory liens set forth below, and you authorize us to exercise those liens whether or not any outstanding obligation is in default, subject to applicable law.

8. Statutory Lien. If you fail to satisfy any outstanding financial obligation with us, federal law gives us the right to apply the balance of shares and dividends in your Account(s) to satisfy that obligation and we may exercise this right at any time without further notice to you.

9. Contractual Lien. In addition to any lien we have as a matter of law, you grant us a contractual lien on any and all funds deposited or maintained in any Account in which you have an interest to the extent of any loans made to you and any other obligation of yours which you owe to us, which lien secures repayment of any such loan or obligation to the extent not prohibited under the federal Truth-in-Lending Act. You are not giving a security interest in any shares or deposits in an IRA, SEP, Keogh, or any other Account, which, if pledged, would result in the loss of special tax treatment under the Internal Revenue Code. You agree that, if any such Account is a Joint or Multiple Party Account, the entire amount in such Account shall be subject to our lien and shall secure the indebtedness of each party to the Account owing to us. You agree that we may exercise our lien and apply the entire amount in any such Account against the indebtedness of any Owner owing to us notwithstanding the interest of any other Owner in the Account, and without notice. You agree to pay us for expenses and costs, including attorney's fees, which we may incur in enforcing our right to exercise our lien against the indebtedness of any one or more parties and you agree that we will not be liable for dishonoring checks or other items where the exercise of our lien or any right of offset which may exist results in there being insufficient funds in the Account to honor such items. If we cash a check for you 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 which you may owe to us whether as a borrower, co-maker, guarantor, or otherwise. You agree that, with regard to any indebtedness owing to us secured by your principal residence, our lien shall not be construed so as to diminish or forfeit any lien or indebtedness secured by such residence, nor permit the modification of any claim we may have under 11 U.S.C. § 1322(b) (2), and to the extent that this lien may be or is so construed, it is hereby waived and shall be void.

10. Dispute Resolution. If we suspect that fraudulent misconduct is or has taken place with respect to any Account, or if we are notified that a party to an Account has died or is incompetent to manage his or her affairs, or if we have been notified that a dispute exists between or among parties to the Account or third parties with regard to their respective interests in the Account, or if there are competing claims to funds on deposit, or if we are in doubt concerning the respective interests of any parties to an Account, we may restrict withdrawals from the Account until we are satisfied that any obligation we may have at law or 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 that the Credit Union may impose 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.

11. 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.

12. Withdrawal of Services. In the event that any Credit Union member causes a loss to the Credit Union or makes known his or her intention to cause a loss to the Credit Union, whether by way of loan default, Account overdraft, or otherwise, or in the event that any Credit Union member has been abusive in the conduct of his or her affairs with the Credit Union, it is the policy of the Credit Union to withdraw member services otherwise extended to that member, including but not limited to, the right to maintain Accounts (excepting a primary Savings Account) and the availability of electronic fund transfers services, including pre-authorized transfers, telephone and computer access services and debit card services. Unless expelled from membership, members have a right to maintain a regular Share Account and to vote in annual and special meetings. Under certain circumstances, services may be reinstated if any loss caused to the Credit Union is subsequently cured.

13. Closing the Account. Any party to an Account may close the Account at any time; provided, however, that no Joint Owner may close the primary Savings Account of a member or reduce the balance of any such Account below the par value of one share. Your right to close an Account is subject to any statutory or contractual lien existing in the Credit Union's favor and any legal process levied against any such Account. The Credit Union may close an Account at any time and disburse funds on deposit in any such Account to the Owners of the Account or in satisfaction of any obligation owing to us, in any manner it deems appropriate, if (i) any of the events set forth in the preceding paragraphs 9 or 11 should arise, (ii) the Credit Union believes it may suffer a loss if the Account is not closed or we believe that the volume of Account activity exceeds that which we can reasonably and safely process, (iii) the Credit Union determines that any party to the Account or 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 (iv) there has been a change in Account ownership or a change with regard to the persons authorized to sign on the Account. Further, in the event that any Credit Union member has been abusive in the conduct of his or her affairs with the Credit Union, the Credit Union may impose sanctions against that member, including but not limited to, the denial of Credit Union services, denial of specific services which involve personal contact with Credit Union employees, denial of access to Credit Union facilities, a recommendation of expulsion from Credit Union membership, or any other action deemed necessary under the circumstances which is not expressly precluded by the Federal Credit Union Act, the National Credit Union Administration Rules and Regulations, and the Credit Union's bylaws.

14. Bylaw Requirements. A member who fails to complete payment of one share within six months of his admission to membership, or within six months from the increase in the par value in shares, or a member who reduces his share balance below the par value of one share and has not increased the balance to at least the par value of one share within six months of the reduction may be terminated from membership at the end of a dividend period. The Credit Union reserves the right, at any time, to require members to give, in writing, not more than 60 days

notice of intention to withdraw the whole or any part of the amounts so paid in by them.

15. 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 10 days after the Account Owner's death unless we are ordered to stop payment by a person claiming an interest in the Account. We may require any person claiming an interest in the Account to indemnify us against any losses arising out of the payment of any such claim, and this Account Agreement will be binding upon the heirs or legal representatives of any deceased Account Owner or any Account Owner who is adjudicated incompetent. We may continue to pay dividends on an Account following the death of an Account Owner. On the death of the primary owner of a joint Account, if any surviving Joint Owner is a member of the Credit Union, we may require that the Account be closed and the funds transferred to the surviving Joint Owner's Account.

16. Attorney's Fees. In addition to any other rights we may have at law or under this Agreement to recover fees and costs, we shall be entitled to recover reasonable attorney's fees and 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 costs or expenses from your Account without prior notice to you.

17. Amendment. You agree that we may change, add to, or delete the terms of this Agreement, the Truth-in-Savings Account Disclosures and Rate and Fee Schedules, and any notice, agreement, or policy made a part of this Agreement, from time to time in our sole discretion, subject to applicable law.

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

19. Reopened Accounts. Should your Account be closed at any time or 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 signature card or other Account Agreement is signed.

20. Governing Law. This Agreement shall be governed by the Federal Credit Union Act, the National Credit Union Administration Rules and Regulations, the Credit Union's Bylaws, and, solely 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 Bexar County, Texas.

21. Credit Reports. You agree and authorize us to check your credit and employment history and to request and use credit reports when considering any application to open an Account or any application for related financial services. You also authorize us to request and review your credit report from time to time in connection with Credit Union

promotions. If you do not wish to be considered for such promotions, please contact us at the address below. We may report information about your share and loan Accounts to credit bureaus. Late payments, missed payments, or other defaults on your Accounts may be reflected in your credit report. If you believe that information we have reported or may report to a credit bureau is inaccurate or incomplete, please notify us in writing at Air Force Federal Credit Union, 1560 Cable Ranch Road, Suite 200, San Antonio, TX 78245. Include your name, address, home telephone number and Account number and identify the information you believe is incorrect. If your notification relates to an incident of identity theft, we will require a copy of your identity theft report filed with law enforcement authorities.

Electronic Funds Transfer Agreement and Disclosures—

Your Rights and Responsibilities

Agreement

1. General. This Electronic Funds Transfer Agreement and Disclosures (“Agreement”) is the contract which covers your and our rights and responsibilities concerning Electronic Fund Transfers Services (“Services”), offered to you by Air Force Federal Credit Union (“AIR FORCE FCU” or “Credit Union”). The terms, conditions, and disclosures which appear below generally apply to all of our Electronic Fund Transfer Services, unless we reference a specific service in connection with any disclosure. Additional disclosures may be furnished to you at the time you arrange for any of these Services with us. In this Agreement and Disclosures, the words “you,” “your” and “yours” mean those who request and use our Services, any Joint Owners of Accounts accessed under this Agreement, or any authorized users of the Services. The words “we,” “us,” “our,” and “AIR FORCE FCU” mean Air Force Federal Credit Union. The word “Account” means any one or more Accounts you have with AIR FORCE FCU. The word “Card” means the AIR FORCE FCU Visa® Debit Card. If a Card is issued to you or if you arrange for a Service, you agree that the use of any such Card or Service will be governed by the terms of your Account Agreement, this Agreement, and any additional terms, conditions, or disclosures provided to you when a Card or Service is provided. In addition, transactions involving a line-of-credit Account will be subject to the terms of your loan agreement and disclosures.

2. Request for Access Device. By signing a signature card, you request and authorize us to issue an access device to you.

3. Overdrafts. Withdrawals may be made from any of your Accounts through the use of a Card or a Personal Identification Number (“PIN”) which exceed the available balance in your Account or, if applicable, which exceed any credit line available for overdraft protection. You agree that your use of the Card and PIN shall be subject to the Overdrafts and Overdraft Protection provisions set forth in the Account Agreement. In the event that your use of a Card or PIN exceeds your credit line, you authorize us to pay the amount by which your credit line was exceeded from any Account with us in which you have an interest. If your use of a Card or PIN results in your Account becoming overdrawn, a charge may be assessed against your Account by the Credit Union as set forth in the Truth-in-Savings Fee Schedule.

4. Card Security. You agree to keep your Card and PIN in a place of safekeeping, to refrain from disclosing your PIN to a third party, and to refrain from writing your PIN on the Visa Debit Card. You agree that the

use of a Card or PIN by you, any other applicant, any party to any of your Accounts which may be accessed by the Card or PIN, anyone you permit or authorize to use your Card or PIN, and anyone to whom you disclose your PIN or give access to your Card or PIN shall be deemed an authorized use for which you shall be liable. If you authorize anyone to use your Card or PIN, that authority shall continue until you specifically revoke such authority by notifying AIR FORCE FCU in writing. You will be responsible for reporting the loss or theft of your Card or PIN to us as soon as possible after the loss or theft. If you fail to maintain the security of your Card or PIN and AIR FORCE FCU suffers a loss, we may terminate your access to the Services immediately.

5. Stop Payment. In certain circumstances, you may cancel or stop payment of future payments which are preauthorized payments initiated with your Visa Debit Card. You may not cancel or stop payment of items which have already cleared or settled to your Account. Unless otherwise provided in any Agreement or disclosure you receive when you arrange for a Service, you acknowledge and agree that you may not stop payment of any debit or PIN-based transaction initiated through use of your Visa Debit Card. You agree to hold us harmless from any claim, loss, damage, or expense which we may suffer or incur, including attorney's fees, by virtue of our refusing payment of any item on which you have stopped payment, as well as for payment of any item after your stop payment order has expired. A Visa Debit Card stop payment order will be binding if the Account holder notifies the financial institution orally or in writing at least three business days before the scheduled date of the transfer. An oral stop payment order will only be binding for 14 calendar days after which it must be renewed in writing. Written stop payment orders will remain in effect until the Account holder revokes the stop payment in writing to the financial institution. A stop payment order, a renewal of any such order, or a revocation of any such order shall not be effective unless it is delivered to us in writing to a member of our staff during regular business hours and until we have had a reasonable opportunity to act on it. For additional information concerning your right to stop payment, please refer to the Terms and Conditions of Your Account.

6. Surrender, Cancellation and Amendment. You agree to surrender the Card to us upon demand. You agree, further, that the Card shall at all times remain our property and that we may cancel this Agreement at any time, subject to such notification as may be required by applicable law. You further agree that we may add to, change, or delete the terms of this Agreement and Disclosures, from time to time, subject to such notification as may be required by applicable law.

Disclosures

Eligibility. The Services are open to all AIR FORCE FCU members, subject to Credit Union approval.

Types of Transactions and Transaction Limitations.

1. The Visa Debit Card. You may access your Accounts with your Visa Debit Card and PIN to:

- Purchase goods and services in person, by mail, by Internet and by telephone directly from your Share Draft (Checking)/Savings Account at any place that honors Visa
- Pay for point-of-sale purchases (POS) at designated locations.
- Obtain balances on your Share Draft (Checking) Account and Share (Savings) Account.

- Withdraw cash from your Share Draft (Checking) Account and Share (Savings) Account.
- Make deposits to your Share Draft (Checking) Account and Share (Savings) Account at our Main Branch (Walk-up ATM only), Wilford Hall Branch, Valley-Hi Branch, Ingram Branch, and Guilbeau Branch ATMs only.
- Make transfers between your Share Draft (Checking) Account and Share (Savings) Account at ATMs owned by Air Force Federal Credit Union only.

Some of these Services may not be available at all terminals.

2. Audio Response System—MAT Telephone Transfers. You may access your Accounts by telephone 24 hours a day at 210. 673.5610 or toll free at 800.227.5328 (outside San Antonio in the Continental U.S.), using a touch tone telephone, your Account number and your MAT Personal Identification Number (PIN) to:

- Transfer funds between your Share Draft (Checking) Account, Money Market Account, and Share (Savings) Account.
- Transfer from your Share Draft (Checking) Account, Money Market Account, and Share (Savings) Account to Share Draft (Checking) Accounts, Money Market Accounts, and Share (Savings) Accounts of other Air Force FCU members to which you are authorized to make transfers.
- Transfer funds from your line of credit to your Share Draft (Checking) Account, Money Market Account, and Share (Savings) Account.
- Make payments from your Share Draft (Checking) Account, Money Market Account, and Share (Savings) Account to loan Accounts with us.
- Withdraw funds from your Share Draft (Checking) Account, Money Market Account, Share (Savings) Account, or line of credit by check mailed to you.
- Obtain information regarding Account history, balances, deposits and withdrawals of your Share Draft (Checking) Account, Money Market Account, Share (Savings) Account, and loan Accounts with us.
- Activate your Visa Debit Card.

3. Direct Deposits. You may make arrangements for direct deposits of your payroll and certain other recurring types of deposits to your Share Draft (Checking) Account, Money Market Account, or Share (Savings) Account.

4. Preauthorized Withdrawals. You may make arrangements to pay certain recurring bills from your Share Draft (Checking) Account, Money Market Account, or Share (Savings) Account.

6. Other Withdrawals. If you pay for something by check and the merchant or other payee permits, you may authorize the merchant or payee to make a one-time electronic payment from your checking Account using information from your check to pay for the purchase or to pay a bill. You may also authorize a merchant to electronically debit your checking (share draft) 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.

Additional Transaction Limitations. The following additional transaction limitations apply in using the Services listed above:

- **Transfers.** You may transfer or withdraw up to the available balance in your Account or up to the available credit limit on a line of credit

at the time of the transfer, except as otherwise limited under this Agreement or your share or loan agreements. Air Force FCU reserves the right to refuse any transaction that would draw upon insufficient or unavailable funds or lower an Account below a required balance.

- **Account Information.** The Account balances and transaction history information may be limited to recent Account information involving your Accounts. Also, the availability of funds for transfer or withdrawal may be limited due to the processing time for ATM or Visa Debit Card transactions and our Funds Availability Policy.

Your Liability for Unauthorized Transfers and Advisability of Prompt Reporting. If your Card or PIN has been lost, stolen, or compromised or if you believe that someone has used your Card or PIN or has transferred or may transfer money from your Account without permission, or if you believe that an electronic fund transfer has been made without your permission using information from your check, NOTIFY US IMMEDIATELY. Telephoning us is the best way of limiting your possible losses. You could lose all the money in your Account plus the maximum amount of your overdraft line of credit. Call 210.673.5610 (in San Antonio) or 800.227-5328 (outside San Antonio). Our regular business hours are from 9:00 am to 5:00 pm central time. Or write us at:

**Air Force Federal Credit Union
1560 Cable Ranch Road, Suite 200
San Antonio, TX 78245**

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

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

For All Other Unauthorized Transfers. You are responsible for all transactions you authorize under this Agreement. If you permit other persons to use your Card or PIN, you are responsible for any transactions they authorize or conduct on any of your Accounts. However, tell us at once if you believe your Card or PIN have been lost or stolen or if anyone has used your Card or PIN or accessed your Accounts without your authorization. If you tell us within two business days, you can lose no more than \$50.00 if someone accesses your Accounts without your permission. If you do not tell us within two business days after you learn of the unauthorized use of your Card or PIN and we can prove that we could have stopped someone from accessing your Accounts without permission if you had told us, you could lose as much as \$500.00.

Also, if your statement shows transfers that you did not make, including those made by your Card, PIN, or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money lost after the 60 days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend time periods.

Business Days. Our business days are Monday through Friday except for federal holidays.

Preauthorized Payments.

- **Right to Stop Payment and Procedure For Doing So.** If you have told us in advance to make regular payments out of your Account, you can stop any of these payments. Here's how:

Call us or write us at the telephone number or address listed in 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 calendar days after you call. We will charge you a fee as disclosed in the Truth-in-Savings Fee Schedule for each stop payment order you request. In addition, if you notify us that your authorization is no longer valid, we may confirm that you have informed the payee that your authorization has been revoked and we may require a copy of your Revocation of Authorization as written confirmation, to be provided within 14 calendar days of any oral notification. If we do not receive the required written confirmation within this time period, we may honor subsequent debits to the Account.

- **Notice of Varying Amounts.** If these regular payments may vary in amount, the person or company you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.
- **Liability for Failure to Stop Payment of Preauthorized Transfer.** If you order us to stop one of the 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.
- **Fees and Charges.** Please refer to the Truth-in-Savings Fee Schedule for applicable fees and charges. From time to time, the fees and charges may be changed. We will notify you of any changes as required by law. If you request a transfer from your line of credit Account, such transactions may be subject to charges under the terms and conditions of your loan agreements.
- **Non-Proprietary and Out-of-Network ATM Fees.** When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

Documentation.

- **Terminal Transfers.** You can get a receipt at the time you make any transfer from your Account using an ATM or point-of-sale terminal.
- **Direct Deposit.** If you have arranged to have direct deposits made to your Account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money or you can call us at 210.673.5610 or 800.227.5328 (outside San Antonio) during our regular business hours (Monday through Friday excluding federal holidays, 9 a.m. to 5 p.m.) to find out whether or not a deposit has been made.
- **Periodic Statements.** You will receive a monthly Account statement from us unless there are no electronic transfers in a particular month. In any case, you will receive a statement at least quarterly.

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 decline 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 the Card and agree to indemnify and hold the Credit Union and Visa International Incorporated harmless from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use.

Visa Debit Card International Transactions. If you effect an international transaction with your Visa Debit Card, the rate of exchange between the transaction currency and the billing currency used for processing the international transaction will be: (i) a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or (ii) the government mandated rate in effect for the applicable central processing date; and in each instance, plus an International Service Assessment Fee of 1% of the transaction amount, charged in U.S. dollars. The International Service Assessment Fee will apply to all international purchase, cash advance, and Account credit transactions.

Disclosure of Account Information to Third Parties. We will disclose information to third parties about your Account or the transfers you make:

- As necessary to complete transfers;
- To verify the existence of sufficient funds to cover specific transactions upon the request of a payee or a third party, such as a credit bureau or merchant;
- To comply with a government agency or court orders;
- If you give us your written permission.

Air Force Federal Credit Union's Liability for Failure To Make Transfers.

If we do not complete a transfer from your Account on time or in the correct amount according to our Agreement with you and the instructions you transmit, we will be liable for actual losses or damages. However, there are some exceptions. Air Force FCU 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, your Account is closed, or the transfer amount would exceed your credit limit on your line of credit, if applicable.
- If the ATM where you are making the transfer does not have enough cash.
- If you used the wrong PIN or have not properly followed any applicable AIR FORCE FCU user instructions for making transactions.
- If circumstances beyond our control (such as fire, flood, telecommunication outages, labor strikes, equipment, or power failure) 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 ATM or system was not working properly and you knew about the breakdown when you started the transfer.
- If you have closed the Account to or from which the electronic fund transfer was to be made.
- There may be other exceptions stated in our Agreement with you.

In Case of Errors or Questions about Your Electronic Transfers. If you think your statement or receipt is wrong or if you need more information

about a transfer listed on the statement or receipt, telephone us at 210.673.5610 (in San Antonio), 800.227.5328 (outside San Antonio) or write to us at Air Force Federal Credit Union, 1560 Cable Ranch Road, Suite 200, San Antonio, TX 78245 as soon as you can. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

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

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

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your Account within 10 business days (five business days for Visa Debit Card point-of-sale non-ATM transactions unless we determine that the circumstances or your Account history warrants a delay up to 10 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. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your Account.

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

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

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

Funds Availability Policy— Your Ability to Withdraw Funds

Our policy is to delay the availability of funds from your check deposits. During the delay, you may not withdraw the funds in cash and we will not use the funds to pay checks that you have written.

The length of the delay is counted in business days from the day of your deposit. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of 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.

The length of the delay varies depending on the type of deposit and is explained below. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

Same-Day Availability

Cash and electronic direct deposits will be made available to you on the same business day they are received. Once deposits are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

Next-Day Availability

Funds from the following deposits are available on the first business day after the day of your deposit:

- U.S. Treasury checks that are payable to you
- Wire transfers
- Checks drawn on Air Force Federal Credit Union

If you make the deposit in person to one of our employees, funds from the following deposits are also available on the first business day after the day of your deposit:

- State and local government checks that are payable to you
- Cashier's, certified, and teller's checks that are payable to you
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day of your deposit.

Other Check Deposits

The first \$200 (*formerly \$100—Revised 07.21.2011*) from a deposit of a check will be available on the first business day after the day of your deposit. The remaining funds will be available on the second business day after the day of your deposit. For example, if you deposit a check of \$700 on a Monday, \$200 of the deposit is available on Tuesday. The remaining \$500 is available on Wednesday.

Longer Delays May Apply

Funds you deposit by check may be delayed for a longer period under the following circumstances.

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000.00 on any one day.

- You re-deposit a check that has been returned unpaid.
- You have overdrawn your Account repeatedly in the last six months.
- There is an emergency, such as a failure of 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.

Special Rules for New Accounts

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

Funds from cash and electronic direct deposits to your Account will be available on the day we receive the deposit. Funds from deposits of wire transfers and the first \$5,000.00 of a day's total deposits of cashier's, certified, teller's, travelers, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000.00 will be available on the seventh business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury Check) is not made in person to one of our employees, the first \$5,000.00 will not be available until the second business day after the day of your deposit.

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

Holds on Other Funds

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your Account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in one of your Accounts with us. The funds in the other Account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

Truth-in-Savings—Account Disclosures

Definitions

Annual Percentage Yield (APY). The Annual Percentage Yield is a percentage rate reflecting the total amount of dividends paid on an Account, based on the dividend rate and frequency of compounding of a 365-day period.

Dividend Rate. The dividend rate is the declared or prospective annual dividend rate paid on an Account, which does not reflect compounding.

Good Cents Savings Account. This special Account is part of the Good Cents Savings Program, open to members with a personal checking Account and associated Visa® Debit Card. No minimum opening balance is required. Good Cents Savings Accounts do not earn dividends. Eligible deposits will be matched on a 50% basis for a 30-day period from first usage, and a rate of 5% thereafter. Matching Deposits up to

a maximum of \$300 per term of Account to be credited upon Account maturity. Initial maturity date may be selected within 12-24 months of Good Cents Savings Account initial opening. eStatements are required. Other terms and conditions may apply.

Rate Information

The dividend rate and APY on your Share (Savings) Accounts, Secondary Share Accounts, Christmas Club Accounts, Share Draft (Checking) Accounts, Money Market Accounts, IRA Share (Savings) Accounts, Health Savings Accounts (Share Draft Checking) and Coverdell (Share Savings) Accounts may change each dividend period as determined by the Credit Union's Board of Directors. The dividend rate and APY are fixed on Term Share Certificate Accounts and IRA Term Share Certificates and remain in effect until the first maturity date on the certificate. The dividend rate and APY for your Share (Savings) Accounts, Secondary Share Accounts, Christmas Club Accounts, Share Draft (Checking) Accounts, Money Market Accounts, IRA Share (Savings) Accounts, Health Savings Accounts (Share Draft Checking) and Coverdell (Share Savings) Accounts reflect the dividend rate and APY as of the last dividend declaration date.

Compounding and Crediting

Dividends will be compounded and credited monthly. Except for Term Share Certificate Accounts, the dividend period is the calendar month and begins on the first calendar day of the period and ends on the last calendar day of the period. For Term Share Certificate Accounts, the dividend period is each month starting on the date of the deposit establishing the Term Certificate. For example: If the initial deposit was made on January 5, 2009, (certificate date) the first dividend period would be January 5 through February 4, the next would be February 5 through March 4, etc. Dividend periods follow this pattern until the Certificate maturity date. You may choose to have dividends earned by a Term Share Certificate paid directly to you or to another Account of yours rather than credited to the Certificate.

Balance Computation Method

Dividends are calculated using the daily balance method. This method applies a daily periodic rate to the principal in the Account each day.

Accrual of Dividends

Dividends will begin to accrue on the business day you deposit cash and non-cash items, such as checks, to your Account.

Fees and Charges

The fees and charges which may be assessed against your Accounts are disclosed on the Truth-in-Savings Fee Schedule which accompanies this Truth-in-Savings Account Disclosure. You authorize us to charge any Account for any such fees or charges assessed without notice to you.

Transaction Limitations

For all Accounts except Share Draft (Checking) Accounts, the Credit Union reserves the right to require a member intending to make a withdrawal to give written notice of such intent up to 60 days before such withdrawal. In addition, the following transaction limitations apply.

Good Cents Savings Account. No withdrawals are allowed without closing the Account and forfeiting all matching deposits.

Club Accounts. Club Accounts mature on the first day of November and will be deposited to an Account specified. No withdrawals are allowed

or the Account must be closed and will be subject to a fee by the Credit Union as disclosed in the Truth-in-Savings Fee Schedule.

IRA Share (Savings) Accounts and Term Share Certificate Accounts. Deposits are limited to the maximum amount allowed by law per year per individual. Individuals under the age of 59 1/2 may be subject to a 10% penalty when withdrawing shares from an IRA Account. In certain circumstances such as the death or incompetence of an Account owner, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Please refer to your plan disclosure for more information.

IRA Share (Savings) Accounts and Term Share Certificate Accounts. You may not make preauthorized or automatic transfers to another Account of yours or to a third party.

Health Savings Accounts (Share Draft Checking). Deposits are limited to the maximum amount allowed by law per year per individual or family depending on the type of plan. Withdrawals are limited to qualified medical expenses as determined by the IRS.

Coverdell (Share Savings) Accounts. Deposits are limited to the maximum amount allowed by law per year up to the age of 18. Withdrawals are limited to qualified education expenses and must be used or withdrawn by the beneficiary's 30th birthday.

Term Share Certificate Accounts — Additional Disclosures

Maturity Date. Your Certificate Account will mature on the maturity date set forth on the face of the certificate or any renewal notice therefor.

Early Withdrawal Penalties. We may impose a penalty for funds withdrawn in an Account before the maturity date. The penalty we may impose will equal one half of the dividends that would accrue from the date of the withdrawal to the maturity date applying the contracted rate on the certificate based to the amount withdrawn over and above any dividends credited or accrued to the certificate to date of withdrawal.

Withdrawal of Dividends Prior to Maturity. The APY is based on an assumption that dividends will remain in the Account until maturity. A withdrawal will reduce earnings.

Transaction Limitations. After an Account is opened, you may not make deposits into the Account until the maturity date stated on the Account unless the term and conditions of the Account allows for deposits. You can only withdraw dividends in the term in which they are credited without penalty. You may withdraw dividends anytime during the term of crediting only after they have been credited to your Account.

Renewal Policy. Term Share Certificate Accounts will automatically renew at maturity. You will have a grace period of 10 calendar days after the maturity date to withdraw the funds in the Account without being charged an early withdrawal penalty. You may prevent renewal if we receive oral or written notice from you that you do not intend to renew. If you prevent renewal, dividends will not accrue after final maturity. If during the 10-day grace period of the Share Certificate, you inform Air Force FCU of your decision not to renew the Certificate, no dividends will be paid for the grace period. If your Certificate is renewed, it will renew at the rate and conditions in effect at the time of maturity for a term equal to the term of the original certificate and will begin on the maturity date of the Certificate. The dividend rate will be the same rate as that which is offered for a new Term Share Certificate Account on the maturity date which has the same minimum balance and term as the original Term Share Certificate Account.

We will give you written notice prior to the maturity date of the rate and terms currently being offered. In the event that the maturity date passes without the Term Share Certificate Account being renewed and the Certificate is not presented for payment on the maturity date, we may, at our option, transfer the funds in the Certificate Account to any Share (Savings) Account you have with us or any other Account of yours or, alternatively, pay the funds in the Certificate Account directly to you.

Nature of Dividends

For Share (Savings) Accounts, Secondary Share Accounts, Christmas Club Accounts, Share Draft (Checking) Accounts, Money Market Accounts, and IRA Share (Savings) Accounts, dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. Good Cents Savings Accounts do not pay dividends.

Par Value of Shares

The par value of a regular share in Air Force Federal Credit Union is \$5.00.

National Credit Union Share Insurance Fund

Member Accounts at Air Force Federal Credit Union are federally insured by the National Credit Union Share Insurance Fund.

Internet Services

You may access your Account(s) at Air Force Federal Credit Union from the Internet through CyberMAT Online Financial Services. Please refer to the CyberMAT Online Financial Services Agreement and Disclosure. You may access our web site at **www.airforcefcu.com**.

Email correspondence may be initiated and left for the Lending and Member Services Departments from the web site or you may e-mail us directly at the following addresses:

Member Services: memberservices@airforcefcu.com

Lending: lending@airforcefcu.com

You agree and understand that if you use the web site to conduct business pertaining to your Account(s), that transmission of your messages to us or our messages to you may not be secure. You further agree that we will not be liable for confidential information that may be intercepted, accessed or released without your authorization provided that the credit union has taken reasonable care to prevent such events. On our part, this may mean that:

- We may telephonically verify your request with you prior to processing your request.
- Information you request may be mailed to you rather than passed over the Internet.
- We may require the use of code words or that you provide enough information for us to verify your identity.
- We may require you to provide a facsimile signature for comparison to your signature card to process some transactions.

Please refer to the Wire Transfer, Automated Clearing House (ACH) and Other Payment Order Transactions section of this Agreement for additional information concerning certain payment order transactions.

Additionally, some transactions, such as balance inquiries and transfers, may be handled more efficiently and quickly by using the MAT (telephone) system or CyberMAT Online Financial Services rather than through e-mail. We encourage the use of e-mail when correspond-

ing with the credit union; however, we also encourage you to use the other services the credit union offers in a way that best benefits you, the member.

Plastic Card Losses

Protect Yourself Against Plastic Card Losses. Today the average American adult owns and uses 11 “plastic cards.” Plastic card is a catchall term that refers both to debit cards, automated teller machine (ATM) cards, and point-of-sale (POS) terminal cards, as well as credit cards. Debit and ATM cards immediately debit or withdraw funds from your Account, while credit cards create a credit balance or loan on your Account.

Each year thousands of the nation’s cardholders become the unwilling victims of card theft. By following the guidelines listed here, you can enjoy the benefits of plastic cards while protecting yourself against the losses associated with them.

Keep Track of Your Cards. Family members, friends and co-workers cause the highest number of card losses. While these people may have been given access to an acquaintance’s card, they often feel immune to prosecution because of their relationship with that person. Other losses are caused by theft or unattended cards left in unlocked desk drawers, employee lounges, conference rooms, lockers, cars, or at the beach.

Card safety starts by keeping constant control of your cards. Remember to always:

- Protect your cards as if they were currency.
- Avoid loaning your cards to others.
- Make a list of all your plastic cards (name, Account number, loss reporting instructions, etc.) and store the list separately from your cards. File your cards in order so you will immediately notice if any are missing.

Keep Your PIN Confidential. The magnetic strip on the back of your plastic card contains both your primary Account number (PAN) and personal identification number (PIN). Before authorizing a transaction, ATM and POS terminals read this strip to recognize and accept your individual number. To prevent unauthorized use of your Visa Debit Card, follow these guidelines:

- Commit your PIN to memory.
- Never write your PIN directly on your card. If you must keep a written record, code the number and store it away from your card; never in a purse or wallet with your card.
- DO NOT write your PIN anywhere on your card.
- DO NOT give anyone else your PIN. Remember, it is for your use only.

Watch All Card Transactions. Unfortunately in today’s environment, knowing the merchant is no guarantee for preventing losses. Dishonest merchants have run extra charge slips and submitted them for payment using receipt carbons to alter and create cards, and placed unauthorized mail orders with pilfered Account numbers.

Sometimes these losses involve disgruntled or dishonest employees—janitors, guards, garbage collectors, and others not directly associated with the merchant. Sifting through trash, these unscrupulous people look for discarded charge slip carbons or other information that can be passed on to card thieves. To reduce your risk:

- Never allow your debit or credit card out of your sight during a sales transaction. Many merchants with POS terminals do not even need to handle your card.
- Watch diligently while your transaction is processed; question any delays, and carefully review each receipt, especially if you need to sign it. For credit card and POS transactions, if an error is made, have a new slip completed and make sure all copies of the incorrect slip are destroyed. If necessary, make sure the proper credit adjustment is made to your Account, if applicable.
- Once the transaction is completed, be sure your card is returned to you and all carbons are torn up before discarding; otherwise keep and properly dispose of the carbons yourself.
- Keep a copy of all your receipts and charge slips for future verification.
- Each month, promptly open your statement and verify each transaction. If you notice any irregularities, immediately notify your credit union and/or credit card company.

Limit Your Losses. Inattentive and careless habits will make you more vulnerable to plastic card theft. For example, thieves watch for busy, unsuspecting shoppers from whom they can steal wallets and purses, or they rifle through unlocked mailboxes looking for cards. To discourage these tactics and limit your losses, follow these tips:

- Avoid loaning your cards to others.
- Carry only the cards you plan to use.
- Never leave your cards in an unlocked desk drawer, attaché case, locker, glove compartment, unattended purse, etc.
- Have your mail delivered to a locked post office box or other secured mailbox. When you are out of town, notify the post office to place a hold on your mail, or arrange for a trusted friend or neighbor to collect your mail each day.

Member Suggestions or Complaints

Air Force Federal Credit Union and its management team try to ensure that all of our members receive the best possible services in a quick, efficient, friendly and professional manner. We are always open to suggestions for new services to offer as well as suggestions to improve how we offer services. If you have any suggestions, please feel free to write to:

**Air Force Federal Credit Union
President
1560 Cable Ranch Road, Suite 200
San Antonio, TX 78245**

We also understand that from time to time, our members may feel dissatisfied with the services offered. We encourage you to discuss any problems you may encounter with the credit union management. If, after working with the management, you still feel that the problem has not been resolved to your satisfaction, please feel free to write to:

**Air Force Federal Credit Union
Supervisory Committee
P.O. Box 760699
San Antonio, TX 78245**

The Supervisory Committee is appointed by the Board of Directors and acts independently of the day-to-day management team.

ATM Locations — San Antonio Area

To see a current listing of our locally-owned and locally-shared ATMs, please visit our website at airforcefcu.com/atms.htm

Worldwide CO-OP Network • ATMs—



We are a member of the CO-OP Network, with over 28,000 ATMs worldwide that will not apply a surcharge or transaction fee when you use your Air Force FCU Visa Debit Card. To locate the one nearest you, go to www.co-opnetwork.org or call toll-free **888-SITE-CO-OP**. Or text your location—address, intersection or zip code—to **692667 (MYCOOP)** from any mobile phone.

CU Service Centers• Network Shared Branching—



Shared branching allows you to conduct your lobby transactions in person at any CU Service Center Network location in 46 states, Puerto Rico, Japan, South Korea, Italy, Germany and the United Kingdom. Find the nearest one at www.cuswirl.com, or call toll-free, **888.287.9475**.

