

TEXAS DOW EMPLOYEES CREDIT UNION

MEMBER HANDBOOK

Account Disclosure and Agreements

Effective: November 12, 2025

**This document contains important legal information, disclosures and terms you should know.
Please retain this document for your records**

TABLE OF CONTENTS

PART 1	Definitions
PART 2	Arbitration Agreement and Waiver of Class Action
PART 3	General Account Terms
PART 4	Truth in Savings Act Disclosures
PART 5	Overdraft Protection Programs
PART 6	Funds Availability Policy
PART 7	Substitute Checks and Your Rights
PART 8	Electronic Banking Services
PART 9	Member Conduct and Limitation of Services Policy
PART 10	Wire Transfer Agreement

MEMBER HANDBOOK

WELCOME TO TDECU

Thank you for opening your account with Texas Dow Employees Credit Union. We look forward to serving you.

ABOUT THIS MEMBER HANDBOOK

This Member Handbook (“Handbook”), is the legal agreement that governs your accounts with us and related services, and replaces all prior agreements with TDECU regarding them. Please read this Handbook carefully. Throughout this Handbook, the words “you,” “your,” and “yours” mean each and all of those (whether one or more persons) who are subject to this Handbook as a result of opening an account. The words “we,” “us,” or “TDECU” mean Texas Dow Employees Credit Union. By using your account or any service we provide, you and anyone else identified as an owner of the account agree to the terms in this Handbook.

You should retain a copy of this Handbook (and any information TDECU provides you regarding changes to this Handbook) for as long as you maintain your account with us.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

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

WHAT THIS MEANS FOR YOU

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

PART I: DEFINITIONS

IMPORTANT TERMS WE USE THROUGHOUT THIS HANDBOOK

Account or accounts: Any deposit account, such as a savings or checking account, you have with us that is covered by this Handbook.

ACH (Automated Clearing House): An electronic deposit to, or withdrawal from, your account that we receive or send through the automated clearing house network. Examples include a direct deposit of payroll and a one-time or recurring payment to a utility company.

APY (Annual Percentage Yield): A percentage rate reflecting the total amount of interest paid on the account, based on the interest rate and frequency of compounding.

ATM (Automated Teller Machine): An electronic device that provides many of the same services as a teller, including withdrawals and deposits. An ATM may be described a couple of different ways in this Handbook. A proprietary ATM means an ATM that is owned and operated by TDECU. A non-proprietary ATM means an ATM that is not owned or operated by TDECU.

Business day: Every day except Saturdays, Sundays and federal holidays.

Card: The ATM card or Visa debit card issued to you or your joint account owner(s) by TDECU.

Check: A written order to pay a specific amount of money drawn on, payable through, payable at or processed by a bank or other depository institution. If a check is sent or returned as an electronic image or as a substitute check, it is still considered a check.

Debit card transaction: Any purchase or bill payment using your TDECU Visa debit card. A debit card transaction may be either a one-time (non-repeating) purchase transaction or a repeating payment, such as a monthly bill.

Direct deposit: An automatic electronic deposit made through the ACH network to your account by someone else, such as an employer issuing payroll or a government agency paying benefits (for example, Social Security benefits).

EFT (Electronic fund transfer): Any electronic funds transfer other than by check or other paper instrument that is initiated through an electronic terminal, telephone, computer, magnetic tape or other communication device for the purpose of providing cash, debiting, crediting, transferring or inquiring on an account.

Item or Items: Items include all orders and instructions for the payment, transfer, or withdrawal of funds from your account. As examples, item includes: a check, substitute check, electronic transaction (including an ACH transaction, ATM withdrawal or transfer, or point of sale transaction), draft, demand draft, remotely created check, preauthorized payment, automatic transfer, telephone-initiated transfer, online banking transfer or bill payment instruction, in-person transfer or withdrawal, or other order of instruction for the payment, transfer or withdrawal of funds.

Overdraft or Overdrawn: A negative account balance, or the amount by which all the items presented to us on any day exceeds the available balance.

PIN (Personal Identification Number): A personal identification number that you either select or request us to randomly generate and provide to you. A PIN enables you to conduct transactions via ATM card, Visa debit card, telephone banking, online banking, the Bill Payment Service and other electronic services we make available to you.

POS (Point-of-Sale): Transactions that directly debit (withdraw funds from) your checking account only, including your use of your Visa debit card.

PART 2: ARBITRATION AGREEMENT AND WAIVER OF CLASS ACTION

You and TDECU agree that we will attempt to informally settle any and all disputes arising out of, affecting, or relating to your accounts or the products or services TDECU has provided, will provide or has offered to provide to you, and/or any aspect of your relationship with TDECU (hereafter referred to as the “Claims”). If that cannot be done, then you agree that any and all Claims that are threatened, made, filed or initiated after the Effective Date (defined below) of this Arbitration and Waiver of Class Action provision (“Arbitration Agreement”), even if the Claims arise out of, affect or relate to conduct that occurred prior to the Effective Date, will, at the election of either you or us, be resolved by binding arbitration administered by the American Arbitration Association (“AAA”) in accordance with its Consumer Arbitration Rules (“Rules”), whether such Claims are in contract, tort, statute, or otherwise. The Rules can be obtained on the AAA website free of charge at www.adr.org; or, a copy of the Rules can be obtained at any TDECU branch upon request. Either you or we may elect to resolve a particular Claim through arbitration, even if one of us has already initiated litigation in court related to the Claim by: (a) making written demand for arbitration upon the other party, (b) initiating arbitration against the other party, or (c) filing a motion to compel arbitration in court. AS A RESULT, IF EITHER YOU OR WE ELECT TO RESOLVE A PARTICULAR CLAIM THROUGH ARBITRATION, YOU WILL GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS ACCOUNT AGREEMENT (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN SMALL CLAIMS COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN SMALL CLAIMS COURT). This Arbitration Agreement shall be interpreted and enforced in accordance with the Federal Arbitration Act set forth in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claims at issue. This Arbitration Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local governmental agency or entity, nor does it prevent such agency or entity from seeking relief on your behalf.

Selection of Arbitrator. The Claims shall be resolved by a single arbitrator. The arbitrator shall be selected in accordance with the Rules and must have experience in the types of financial transactions at issue in the Claims. In the event of a conflict between the Rules and this Arbitration Agreement, this Arbitration Agreement will supersede the conflicting Rules only to the extent of the inconsistency. If AAA is unavailable to resolve the Claims, and if you and we do not agree on a substitute forum, then you can select the forum for the resolution of the Claims.

Effective Date: This Arbitration Agreement is effective upon the 61st day after we provide it to you (“Effective Date”), unless you opt-out in accordance with the requirements of the RIGHT TO OPT-OUT provision below.

Claims Arising Prior to Effective Date. **THIS ARBITRATION AGREEMENT APPLIES TO ALL CLAIMS THAT ARE FILED OR INITIATED AFTER THE EFFECTIVE DATE, EVEN IF THE CLAIM ARISES OUT OF, AFFECTS, OR RELATES TO CONDUCT THAT OCCURRED PRIOR TO THE EFFECTIVE DATE.**

Arbitration Proceedings. The arbitration shall be conducted within 50 miles of your residence at the time the arbitration is commenced. Any claims and defenses that can be asserted in court can be asserted in the arbitration. The arbitrator will be entitled to award the same remedies that a court can award, including public injunctive relief. Discovery will be available for non-privileged information to the fullest extent permitted under the Rules. The Arbitrator’s award can be entered as a judgment in court. The arbitrator shall not be entitled to make errors of law in making the arbitration award. Except with respect to errors of law and otherwise as provided in applicable statutes, the arbitrator’s award is not subject to review by the court and it cannot be appealed. TDECU will pay for any filing, administration, and arbitrator fees imposed on you by the AAA. However, you will be responsible for your own attorney’s fees and costs of suit, unless you prevail on your Claim in the arbitration, in which case, we will pay your attorney’s fees and costs. However, if TDECU prevails, then you will not be required to pay our attorneys’ fees and cost.

Any determination as to whether this Arbitration Agreement is valid or enforceable in part or in its entirety shall be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration; provided, however, the enforceability of the Class Action Waiver set forth below shall be determined by the Court.

Class Action Waiver. ANY ARBITRATION OF A CLAIM SHALL BE ON AN INDIVIDUAL BASIS. YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION LAWSUIT.

Severability. In the event that the Class Action Waiver in this Arbitration Agreement is found to be unenforceable for any reason, the remainder of this Arbitration Agreement shall also be unenforceable. If any provision in this Arbitration Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions shall remain fully enforceable.

Survival. This Arbitration Agreement shall survive termination of the Account Agreement.

Right to Opt-Out. You have the right to opt-out of this Arbitration Agreement, provided you notify TDECU of your intent to do so within sixty (60) days after it is provided to you. Your opt-out is only effective if you notify TDECU in writing at TDECU, 2000 Post Oak Blvd., Ste. 2100, Attention: Compliance, Houston, TX 77056-4493 within such sixty (60) day time period. Your letter must include your name, your member number, the date,

and a statement that you are electing to opt-out of this Arbitration Agreement and Waiver of Class Action. If you fail to opt-out within this sixty (60) day time, you shall be deemed to have consented to the resolution of your Claims through binding arbitration. In the event you opt-out, it will not affect other terms and conditions of this Handbook or your relationship with TDECU. This Arbitration Agreement shall be deemed to have been provided to you on the day it was mailed if you have elected to receive notices and your statements by mail or on the day it was emailed if you have elected to receive notices and your statements electronically. FOR MORE DETAILS or if you have questions, you may call us or visit a branch. If you have questions about AAA procedures, you should check AAA's website, www.adr.org, OR call AAA at (800) 778-7879.

PART 3: GENERAL ACCOUNT TERMS

OPENING AND MAINTAINING ACCOUNTS

Becoming a Member

To become a member of TDECU, you must be in our field of membership, meet all the requirements for eligibility, and establish the minimum deposit balance. The minimum deposit balance is \$5. Please understand that membership is a privilege and not a right, and is granted to you by TDECU on the condition you observe all applicable laws, regulations, the terms of this Handbook and all other contracts, obligations and responsibilities with us.

Member in Good Standing Requirement

You must be and remain a member in good standing to maintain any account. Please refer to the part of this Handbook entitled *Member Conduct and Limitation of Services Policy* for additional information regarding what it means to be a member in good standing.

We may Refuse to Open any Account or Follow your Instructions

We reserve the right to refuse to open any account, to provide any service in connection with an account, or to accept additional deposits to an existing account. We may refuse to follow any of your instructions, accept any deposit, or process any transaction, that in our sole judgment is/are illegal, fraudulent, inconsistent with our policies, conflict with industry standard banking practices, or would expose us to potential liability. You agree to reimburse us for any damages, losses, liabilities, expenses, and fees (including, but not limited to, reasonable attorneys' fees) that we incur in connection with your account if we take an action in accordance with your, or what purports to be your, oral, written, or electronic instructions.

Account Fees

You agree to pay all fees applicable to your account. All accounts are subject to our *Fee Schedule*, which accompanies this Handbook and is incorporated by this reference. We will debit such fees against any account you own (including accounts on which you are a joint owner) without prior notice to you, even if the assessment of the fee causes your account to be overdrawn.

CLOSING YOUR ACCOUNT

We may close any of your accounts in our sole discretion at any time, for any or no reason and without notice to you. For example, we may close your account with no notice of action if the account has a zero balance. We may close your account, convert your account to another account type or change your account's overdraft setting at our discretion due to excessive overdrafts. If we close your account, we may send the collected balance on deposit in your account, less any fees, claims, setoffs, or other amounts you are responsible for, by regular mail to your most recent address shown in our records. TDECU is not liable for any damages or liabilities resulting from the termination of an account relationship.

Subject to any rights we may have with respect to advance notice of withdrawal from your account, you may close your account at any time and for any reason. If your account is overdrawn when we close it, you agree to promptly pay all amounts owed to us. We are not required to close your account at your request if you have any pending transactions, the account is overdrawn or your account is subject to legal process (such as a garnishment, attachment, levy or similar order). In those cases, we will restrict your account against all future withdrawals other than under legal process until pending transactions are paid or returned, the balance is no longer negative, and any legal restriction has been released. After we restrict your account in preparation for closing it, we will not pay any additional interest on the account.

After your account is closed, we have no obligation to accept deposits or pay any outstanding checks. We will not be liable for refusing to honor any check drawn on a closed account. We have the right to inform consumer reporting agencies if we close any of your accounts for misuse, such as overdrafts.

We may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) you have reported forgery or fraud involving any of your accounts; (3) there is a dispute as to the ownership of the funds in your account; (4) any checks are lost or stolen; or (5) we deem it necessary in order to prevent a loss to us.

DEPOSITS

Non-Cash Deposits

All non-cash deposits (e.g., a check deposit) will be credited to your account on the day of deposit, but are subject to final payment. Your right to withdraw the funds from check deposits or other items you deposit may be delayed for several days. Please refer to the *Funds Availability Policy* in this Handbook for additional details.

Endorsements

An endorsement is a signature, stamp or other mark made on a check to transfer the check to another person. All payees listed on a check must sign the check that is deposited or cashed, and must be a joint owner on the account. All multiple party checks without proper endorsements are subject to being returned. If we take a check for deposit without your endorsement, you agree that your liability for the check is the same as if you had endorsed it. If you deposit items which include the endorsement of more than one person or persons who are not signers on the account, we may refuse the item or require all endorsers to be present, have valid identification, or to have their endorsements guaranteed before we accept the item. Any deposited check that appears to contain your stamped or facsimile endorsement will be treated as if you had actually endorsed it.

Endorsement Requirements

To help us ensure that checks you deposit will be processed in a timely manner, your endorsement (and any other endorsement supplied by a co-payee) must be in the 1½ inch area that starts on the right side as viewed from the back of the check. Payee information must not be on any other part of the back of the check. If you do not endorse your check properly and it causes us a loss, cost or expense, you have to pay that amount to us.

TDECU's Policy Regarding Third Party Checks

You understand and agree that it is our policy not to accept for deposit checks payable to anyone other than an owner on the account (third party checks).

Deposit Verification

If a deposit is made to your account and we subsequently determine that the deposit or 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.

Our Right to Accept Deposits from Anyone

You authorize us to accept deposits to your account at any time, from any party, made in any manner, without questioning the authority of the person making the deposit, and to give cash back to any authorized signer(s) or designated agent on any check payable to any one or more of the account owners, whether or not it is endorsed by you.

Our Right to Refuse Deposits

For your and our protection, we may refuse a deposit, or part of a deposit, at any time. If we refuse a deposit, we may take a check on a "collection basis," which means we will not credit funds to your account until we have actually been paid for the check. We also may refuse a deposit after initially accepting it. We can reverse any amount we have credited to your account for a deposited check and send the check on a collection basis even after we have taken physical possession of the check. We will not be liable to you for refusing a deposit, even if it causes us to decline any transactions you have already made.

Direct Deposits

If we receive an electronic deposit to your account, the only notice you will receive from us is on your next periodic statement. You may login to online banking, mobile banking, use account alerts or call us to confirm that we have received a deposit.

Transactions in a Foreign Currency

We are not required to accept for deposit checks that are drawn on a non-U.S. bank or payable in a foreign currency (each, a "non-U.S. item"). We may accept non-U.S. items on a collection basis without your specific instruction to do so. We can reverse any credit made to your account and send the check on a collection basis even after we have taken physical possession of the check. Our *Funds Availability Policy* does not apply to any non-U.S. item, whether we accept it for deposit or on a collection basis, and we reserve the right to place longer holds on non-U.S. items. Generally, availability of funds from non-U.S. items will be delayed until we have collected the funds from the institutions on which they are drawn. The actual amount you receive for non-U.S. items will be determined at the exchange rate for such items that is in effect when we are paid for the non-U.S. item. If a non-U.S. item is later returned for any reason, we will debit the amount of the non-U.S. item and any charges from other banks from your account balance. We will use the applicable exchange rate in effect at the time of the return, which may be different from the exchange rate originally used for the deposit. We charge a Foreign Item Collection fee as set forth in our *Fee Schedule* for each non-U.S. item we accept for deposit.

Our Right to Charge Back Deposited or Cashed Items

This section applies to items that you deposit or that we cash for you (a "cashed or deposited item") and includes items drawn on us as well as items drawn on other financial institutions. You are responsible for returned items.

If a cashed or deposited item is returned to us at any time for any reason by the bank on which it is drawn or any collecting bank, we may accept that return, pay the claiming party, and charge the item to your account without regard to whether we or the other bank finally paid the item or returned the item in accordance with any applicable midnight deadline or clearinghouse rule. We may also deduct from your account any interest you may have provisionally earned on the item. We may charge you a fee for each returned item as set forth in our *Fee Schedule*. We may debit your account for a returned item at any time on or after the day it is returned to us by electronic, automated clearinghouse ("ACH") or other means or on the day we receive notice that the item is being returned to us—whichever is earlier.

For example, if an item deposited in your account has been paid by the bank on which it is drawn (including on us) and that item is later returned to us with a claim that the item was altered, forged, unauthorized, bears a forged or missing endorsement or should not have been paid for any reason, we may at our discretion charge the item against your account or place a hold on the amount of that item against your account until the claim is finally resolved. We may take these actions without prior notice to you and regardless of whether settlement with respect to such item is considered final.

We are not obligated to question the truth of the facts that are asserted, to assess the timeliness of the claim, to take any action to recover payment of a returned item, or to assert any defense. We do not need to notify you in advance of our actions related to the claim. If you do not have sufficient available funds to cover a returned item, we may overdraw your account. We are not liable to you if there are insufficient funds to pay your items

because we withdrew the funds from your account or in any way restrict access to funds due to a hold or debit to your account in connection with a returned item. You agree to repay immediately an overdraft caused by a return of a cashed or deposited item.

We may send the unpaid item back for collection a second time before notifying you, but we are not obligated to do so. You waive notice of dishonor and protest. You agree that we will have no obligations to notify you of any item that is being returned.

Our Responsibility for Collecting Deposits

In processing items you have deposited to your account, we act only as a collecting agent and assume no responsibility beyond the exercise of ordinary care. We are not responsible for errors and delays made by others in the collection process. Any deposit that we accept and credit to your account is provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to reverse any credit to your account for the amount of the deposit and impose a fee as set forth in the *Fee Schedule*. We are not responsible for any deposit you mail to us or a deposit made at an unstaffed facility (for example, an ATM that is not at a branch) until we actually receive the deposited item or money.

Erroneous or Fraudulent Deposits to an Account

If a deposit, payment or other credit (whether by check, cash, EFT, wire transfer or otherwise) is made in error or by fraud to an account you have with us, we may debit your account for the amount of the erroneous or fraudulent deposit, payment or credit. We may do so without notice to you, regardless of when the original deposit, payment or credit took place. If you withdraw any or all of the funds erroneously or fraudulent deposited, paid or credited to an account or you, you agree you will reimburse us for the amount of the erroneous or fraudulent transaction, plus all interest paid on the erroneous or fraudulent amount, along with all service charges and costs.

CHECKS, WITHDRAWALS, TRANSFERS AND ACCOUNT FEES

Our Right to Require Advance Notice of Withdrawals

You understand we may require written notice of your intent to withdraw funds from an account you have with us at least seven (7) calendar days and up to sixty (60) calendar days before the time you would like to make the withdrawal. This does not apply to checking accounts.

Check Quality

TDECU does not sell checks. As a convenience to you, we will submit your initial check order and any reorders for personalized checks ordered through us to our approved check vendor. If the check vendor accepts the order, the check vendor will mail the checks either directly to you or to you in care of us. You authorize us to charge your checking account for the check costs, plus applicable sales tax and shipping costs. You are responsible for verifying the accuracy of all information that appears on your checks, whether ordered through us or elsewhere. You agree to imprint only those names of joint account owners on your checks.

Protecting Your Checks

You agreed to safeguard your blank checks. You agree to notify us immediately at (800) 839-1154 if you believe your checks have been lost or stolen. You agree that you will be responsible for losses caused by a delay in your notification to us.

Stop Payments

If we have not already paid a check or other item that is drawn on your account, then at your request and risk, we may accept a stop payment order on it. You may not stop payment on a POS transaction or an ATM withdrawal or transfer. To stop payment, you must give us an oral or written stop payment order by calling us at (800) 839-1154, visiting us in person at a branch, or through our online banking system, www.tdecu.org. So that we can identify the item, you must provide us with the account number, check number, exact amount, check date, and name of payee. This information must be exact because stop payment orders are processed using automated systems. We will not be liable for paying a check over a stop payment request if the request is incomplete or incorrect. A *Stop Payment Fee* will be assessed for each stop payment as set forth in our *Fee Schedule*.

Oral stop payment requests are only valid for fourteen (14) days, unless confirmed in writing. Written requests will be valid for six (6) months, and may be renewed for additional six (6) month periods by written notice given during the time that the stop payment order is in effect. We are not obligated to notify you when a stop payment order will or has expired. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order. You agree to indemnify, defend, and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) arising out of or relating to our action in stopping payment of any check pursuant to your request.

We are not liable if we pay a check which you have requested us to stop payment on as long as we act in good faith and exercise ordinary care. In any event, any damages that we might otherwise be liable for will not exceed the amount of the involved check.

You understand and agree that you are not permitted to place a stop payment on a cashier's, teller (official) or certified check unless such check is lost, stolen or destroyed. In the event that you wish to stop payment of a lost, stolen or destroyed cashier's, teller (official) or certified check, you must sign and deliver to us a sworn statement, in a form we deem acceptable, that the check is lost, stolen or destroyed. After you place a stop payment, we are not required to refund the check amount or issue a replacement check until at least ninety (90) after the issue date. We are not required to refund the check amount or issue a replacement check if the check is presented for payment within ninety (90) days after the issue date. In our sole discretion, however, we may process your stop payment request sooner. You agree to indemnify and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) arising out of or relating to our attempt to, or stopping payment on, such cashier's, teller or certified check.

Refer to the part of this Handbook entitled *Electronic Services Terms and Conditions* for information on how to place a stop payment on recurring electronic payments.

Automated Check Processing

We use electronic check deposit, transmission, presentment, payment and return technology to manage the greatest number of checks in the most cost-effective manner for the benefit of our members. These automated processes rely on and can only recognize information in the Magnetic Ink Character Recognition (MICR) line at the bottom of the check, which contains your account number and check number. To achieve these cost efficiencies for our members, you agree when we pay or take a check for deposit and collection we may disregard all information on the check (including notes and legends). You also agree that when we pay a check without physically or visually examining it, it does not mean we failed to exercise ordinary care in paying the check.

Conditional Checks

Our use of automated means to process checks and other items prevents us from inspecting or looking for special instructions or conditions on checks (e.g., "Void after 6 months," "Void over \$50," "Payment in Full," and the like), whether on the front or back, in any form or format. For this reason, we have no duty to discover, observe or comply with such checks. If you cash or deposit an item or write a check with such notation, you agree that it applies only between you and the payee or maker. If we pay a conditional check or item, the conditions do not apply to us.

Post-Dated and Stale-Dated Checks

You authorize us to accept and pay any check without regard to the date of the check. You understand that post-dating a check will have no effect on whether or not it is honored prior to or after the date of any such check. In addition, we are under no obligation to pay a check which is presented more than six (6) months after its date (a stale-dated check). We are not required to identify post-dated or stale-dated checks or get your permission to pay them. We may pay or refuse to pay any post-dated or stale-dated check or other item presented for payment on your account without any liability.

Facsimile or Computer-Generated Signatures

We may pay a check bearing any form of facsimile or computer-generated signature. If you use a facsimile or computer-generated signature, you will be responsible for any check bearing a similar signature, regardless of your negligence or whether the signature was the same one you previously used.

How to Obtain Copies of Paid Checks

Paid checks remain the property of TDECU upon payment and are not returned to you with periodic statements. We store copies of your paid checks and destroy the checks. Check copies are generally available for seven (7) years from the date the checks are paid. You may request and we will provide you with a copy of a paid check within a reasonable time. Check copies will be subject to an assessment of a fee as set forth in our *Fee Schedule*. Digital images of your paid checks are also available to you at no cost on our online banking system.

Death or Incompetence of Account Owner

You agree to notify us promptly if any account owner or authorized signer on your account dies or is declared incompetent by a court. Until we receive notice of death or incompetency, we may act with respect to any account or service as if all owners, signers or other persons are alive and competent and we will not be liable for any actions or inactions taken on that basis. When we receive a notice that an owner has died or been declared incompetent, we may place an administrative hold on your account balances and refuse to accept deposits or permit withdrawals. We are also not required to release your funds until we receive any documents we reasonably request to verify your death or incompetence, as well as who is entitled to the funds. If an account owner authorizes any transaction, but it is not presented for payment until after that owner dies, we are authorized to pay the transaction. If you owe us a debt at the time of your death, we are authorized to exercise our right of offset (our right to apply funds in one account to a debt associated with another account) against the funds credited to your balance after your death. We have these rights even if a surviving joint owner, a payable on death payee or a beneficiary has rights to the account. Please refer to the section below entitled "Other Legal Terms" for more information regarding our right of offset.

If a deposit—including payroll, pension, Social Security and Supplemental Security Income (SSI)—payable to the deceased owner is credited to the account after the date of the deceased owner died, we may debit the account for the deposit and return it to the payer.

Large Cash Withdrawals

For the safety of both staff and members, TDECU does not keep large amounts of cash at branch locations. We may place reasonable restrictions on when and how you may make any large cash withdrawal, including requiring reasonable advance notice. We may also refuse to honor a request to withdraw funds in cash from your account or to cash a check (including a cashier's check or other official item) at a branch if we believe that the amount is unreasonably large or that honoring the request would cause us an undue hardship or security risk. You understand and agree that you will be responsible for all fees that may be assessed by a third party to TDECU in connection with your request (e.g. cash delivery charges). In addition, you may be asked to sign a form releasing us from any liability. TDECU is not responsible for providing for your security in such transactions.

No Duty to Investigate or Question Withdrawals

We have no duty to investigate or question withdrawals, or how the withdrawn funds will be used. If we receive written notice from any account owner that withdrawals should not be permitted, we may refuse, without liability, to permit any withdrawals on the account until the rights of the owners have been determined. However, our release of any account funds to an account owner contrary to any instructions from another account owner will not result in liability to us.

PERIODIC STATEMENTS AND OTHER ACCOUNT-RELATED INFORMATION WE SEND TO YOU

Periodic Statements

We will send you a periodic statement for your accounts on a monthly basis. If your account has had no activity during the statement period, other than interest payments, we may only send a periodic statement to you on a quarterly basis. If you have only a savings account or accounts with us, you will receive a periodic statement on a quarterly basis, unless an electronic fund transfer is conducted on your savings account(s), in which case we will send you a periodic statement for that month in which the transfer occurred.

Account-Related Information

Except as expressly provided otherwise in this Handbook, we will mail or send electronically to you, your periodic statements, notices and other information regarding your account (collectively “account-related information”) to the postal or electronic address of the owner as reflected in our records for your account. We will send account-related information only to one account owner, even if the account has more than one owner. If you receive a combined periodic statement reflecting account and loan balances for more than one account, your statement will be sent to the address of record. Mailed account-related information will be sent via standard U.S. mail, and will be deemed to have been delivered the second business day following the day it was mailed. Account-related information made available electronically will be deemed to have been delivered when we make it available to you. If any account-related information documents are returned, or, in the case of online statement email notifications the email notice is returned undeliverable, we may classify your account as “inactive.” This means we may discontinue sending and may destroy account-related information sent to you until you provide a valid postal or electronic address to us.

Any written notice you send to us is effective when it is actually received by us. Any account-related information we send to you is effective on the date we deposit such account-related information in the U.S. Mail, postage prepaid, and addressed to you at your statement mailing address, or, if you have agreed to receive account-related information from us in an electronic format, any account-related information we give to you is effective on the date we make it available to you in electronic format. Account-related information sent to any one account owner is considered sent to all owners of the account.

Your Responsibility to Review Your Periodic Statements for Errors and Fraud

You are responsible for promptly reviewing each periodic statement. You must notify us within sixty (60) days after we mail or otherwise make statements available to you (for example, e-statements) if:

- An unauthorized transaction is listed on the periodic statement;
- Your periodic statement contains any errors, inconsistencies, or irregularities; or
- You did not receive your scheduled periodic statement.

For purposes of this Handbook, an “unauthorized transaction” is a transaction that was not authorized by you, including but not limited to an erroneous or unauthorized debit. It might include a missing signature, an unauthorized signature, an alteration, or otherwise a transaction that was not authorized by you. You agree to cooperate fully with us in our investigation and provide us with all information we request to investigate the alleged error or item. You also agree to file any police reports and provide any supporting affidavits we request. If you do not comply with the above requirements, we are not required to reimburse you for any claimed loss. In addition, if you fail to notify us of any unauthorized item within sixty (60) days after we mail, or in any other way make available, a periodic statement that lists an unauthorized transaction, we are not required to reimburse you for unauthorized transactions by the same person that we pay after that time. Please refer to the section of this Handbook entitled *Electronic Services Terms and Conditions* to determine your notification obligations in the event of unauthorized electronic fund transfers or other errors in connection with such transfers.

OUR RIGHT TO RESTRICT ACCESS TO YOUR ACCOUNT

Disputes Regarding Your Account

If we receive conflicting instructions or a dispute arises over your account or the funds in any of your accounts, or we are uncertain who is entitled to access an account or the funds in any of your accounts, including, but not limited to, disputes between or relating to joint owners, payees, or a payable-on-death account, we may take any action described in the next section or we may deposit funds in a court (this is called an interpleader action) for resolution. If any person notifies us of a dispute, we do not have to decide if the dispute has merit before we take further action. We may take these actions without any liability to you and without advance notice.

Restricting Your Account; Blocking or Delaying Transactions

There are many reasons why we may decline or prevent transactions to or from your account, but we generally do so to protect you or us, or to comply with legal requirements. For example, we may decline or prevent any or all transactions to or from your account. We may refuse, freeze, reverse or delay any specific withdrawal, payment or transfer of funds to or from your account or we may place an administrative hold on funds in your account pending investigation, including one or more of the following circumstances:

- Your account is involved in any legal or administrative proceeding;
- We receive conflicting information or instructions regarding account ownership, control or activity;
- We suspect that you may be the victim of fraud, a scam or financial exploitation, even though you have authorized the transaction(s);
- We suspect that any transaction may involve illegal activity or may be fraudulent;
- We are complying with any federal or state law or regulation, including federal asset control and sanction rules, and anti-money laundering rules, and/or with our policies adopted to ensure that we comply with those laws; or
- We reasonably believe that doing so is necessary to avoid a loss or reduce risk to us.

We may also limit cash deposits to, or withdrawals from, any of your accounts, or who may make deposits, in order to reduce risk and/or allow us to comply with applicable law. We will have no liability for any action we take under this section.

Any hold on the funds and suspension on the account will continue until either: (1) all persons and/or organizations affected by the dispute or uncertainty agree in writing regarding what should be done with the account(s) and/or funds, or (2) we receive appropriate notice or direction from a court or other legal authority instructing us on what to do with the account(s) and/or funds.

FORMS OF ACCOUNT OWNERSHIP

General

When you open an account, you acknowledge that we have explained and you have selected the ownership and survivorship features for that account as reflected in our records. We may rely solely on our records to determine the form of ownership of your account.

The type of account you select may determine how funds in your account pass on after your death. The following rules apply to your account depending on the form of ownership and beneficiary designation, if any, specified in our records. We reserve the right to refuse some forms of ownership on any account. We make no representations as to the appropriateness or effect of the ownership and beneficiary designation, except as they determine to whom we pay the account funds. You may open an account either by yourself, which we refer to as a "single-party account" or with another person or persons, which we refer to as a "multiple party account."

Single-Party Account

A single-party account is an account owned by you alone, which you as the account owner use during your lifetime. If you open a single-party account, upon your death and in the absence of any payable-on-death designation, ownership of the account passes as part of your estate under your will or by the law governing the estate of a person who dies without a valid will.

Multiple Party Account:

If an account is opened by two or more parties, or if one or more parties are added to a single party account after the account is opened, the account will be a multiple-party account. The parties to the account are called "joint owners" or "account owners" and they own the account in equal undivided interests. Payment to any account owner will be valid and discharge TDECU from any and all liability for such payment. TDECU may accept instructions from any account owner or act at the request of any account owner without the consent of any other account owner. Each account owner authorizes all other account 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.

Without the consent of or notice to any other account owner, and without regard to the interest in the account of any other account owner, any account owner may conduct any transaction permitted under this Handbook, including without limitation:

- Make deposits to or withdraw funds from the account;
- Pledge the account funds as collateral to us for any obligation;
- Endorse and deposit checks and other items payable to any account owner;
- Give stop payment orders on any check or item, whether drawn by that account owner, or not;
- Consent to or revoke consent to payment of service charges on overdrafts that result from ATM transactions or non-recurring (one-time) debit card transactions under the Courtesy Pay Service; and
- Close the account, with the disbursement of account proceeds as instructed by the account owner.

We may require account owners to complete a new application (or other forms) whenever account ownership is modified. All account owners must provide their consent in such manner as we may require to remove an account owner or to add additional owners to a multiple-party account. Any account owner may add or remove payable-on-death payees on an account upon notice to us in such form as we may require and without notice to any other account owner. **TDECU makes no representation concerning the legal consequences or effectiveness of the survivorship rights described in this Handbook, including any consequences arising out of the community property laws of any state, and you agree to hold us harmless from any loss or liability in connection with any survivorship designation.** You understand that you should consult with a qualified attorney if you have any questions regarding the validity or effectiveness of any such survivorship designation for any purpose.

Being a joint owner of a member's account does not constitute TDECU membership for the joint owner. Joint owners may be non-members. However, any non-member joint owner who uses an account, or requests or uses a service, agrees to the terms and conditions of this Handbook.

All account owners, jointly and severally, are liable for all transactions, changes, additions or closure of an account or service, and for any charges, fees, losses or liabilities incurred for any transaction, change, addition or closure of an account or service regardless of which account owner conducted or benefited from the transaction, change, addition or closure. Each account owner is jointly and severally responsible for paying any overdrafts created by any account owner whether or not the account owner participated in the transaction or benefitted from its proceeds. If any account owner owes us money for any reason, we may enforce our right of offset against all funds in any account on which that person is an owner, regardless of which owner deposited the funds in the account.

- **Multiple-Party Account with Right of Survivorship.** An account will be a Multiple-Party Account with Right of Survivorship if you have so elected and indicated, or if any such authorization otherwise represents that the account is held jointly with right of survivorship. All funds deposited into any such account, including any interest, will be owned by the account owners jointly with all other account owners with right of survivorship. On the death of an account owner, all sums in the account on the date of death vest in and belong to the surviving account owner or owners as their separate property and estate. The surviving account owner or owners' right to the funds in the account, however, is subject to any lien TDECU has for a deceased account owner's obligations and any security interest the deceased account owner gave in the account funds, regardless of whether the surviving account owner or owners consented to the security interest.

- **Multiple-Party Account without Right of Survivorship.** An account will be a Multiple-Party Account without Right of Survivorship if you have so indicated, or if any such instrument otherwise fails to expressly indicate that the account is held jointly with right of survivorship. On the death of an account owner, the account owner's ownership of the account passes as a part of the account owner's estate under the account owner's will or by the law governing the estate of a person who dies without a valid will. The surviving owner or owners' right to the funds in the account, however, is subject to any lien TDECU has for a deceased account owner's obligations and any security interest the deceased account owner gave in the account funds, regardless of whether the surviving account owner(s) consented to the security interest.

Payable-on-Death Account

If you establish your account as payable-on-death (POD) to one or more beneficiaries, the account is a POD account. A POD account designation is an instruction to TDECU that the account is payable to the account owner or owners during their lifetime, and upon the death of the last account owner, payable first to us to the extent of any outstanding matured or unmatured debts owed to us by you, and second, to your designated POD beneficiary or beneficiaries. This means that in the event any loans or other obligations (e.g., negative account balance) you have with TDECU are still outstanding thirty (30) days after we are notified of your death, we may, in our discretion, offset those accounts towards your outstanding obligations before any remaining funds are paid to your POD beneficiary.

Any POD designation will not apply to Individual Retirement Accounts (IRAs) which are governed by a separate beneficiary designation. TDECU does not have any obligation whatsoever to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account. You understand that it is your responsibility (and not ours) to inform any person or organization that he, she or it is a POD beneficiary on your account(s). If a POD beneficiary on the account dies before you, it is your responsibility to notify us and change the account accordingly.

Convenience Account

Please note that TDECU no longer offers convenience accounts. The following terms and conditions apply to existing convenience accounts at TDECU.

You may choose to designate one or more convenience signers on an account. The designated convenience signer to the account may conduct account transactions on your behalf during your lifetime, but the convenience signer does not own the funds in the account. The designated convenience signer owns the funds in the account on your death only if the convenience signer is also designated as a POD payee. We may pay funds in the account to a convenience signer before we receive notice of the death of the last surviving account owner.

Power of Attorney

A power of attorney ("POA") is a document you sign that authorizes someone else, called an attorney-in-fact or agent (we will use the term "agent"), to act on your behalf. If you sign a POA, the agent can sign on your behalf and generally do anything you could do regarding your accounts at TDECU, including withdrawing all of the money. If you appoint an agent to act on your behalf pursuant to a POA, we may rely on the agent's instructions and we will have no liability or responsibility to verify the transactions. The POA must be properly executed, valid under Texas law and the POA form must be acceptable to us. In accordance with the terms of the POA, the agent you designate to act on your behalf will be authorized to transact business on your account(s). Please note that even though you may have appointed an agent to act on your behalf, TDECU reserves the right to contact you as the principal under the POA, to verify your intent, prior to acting under the authority of the POA.

You further agree that unless prohibited by law, we may refuse to accept or otherwise act under a POA, which you grant to others. If we choose to accept the POA, you understand and agree that we may act under the terms of such POA, and revocation of the POA will not become effective until we have received written notification that it has been revoked. You agree to indemnify and hold us harmless for any claims that may arise against us because of our reliance on a POA. We are not liable for any transactions by an agent for a deceased or incompetent account owner, unless we have written notice that you, as the principal under the POA are deceased, have revoked the powers of the agent, or you are adjudicated incapacitated by a court of competent jurisdiction, and we have had time to act on that notice.

Texas Uniform Transfers to Minors Act (TUTMA)

At our option, we may accept deposits in accounts established by a custodian under the Texas Uniform Transfers to Minors Act (TUTMA). A TUTMA account is owned by the minor, and amounts deposited into the account constitute an irrevocable gift to that minor. Although interest is reported under the minor's name and Social Security Number, the custodian reflected in our records is the sole party entitled to access the account for the minor's benefit. If you wish to designate a successor custodian on the account, you may ask us to include that person's name in our records. The successor custodian may claim the funds in the account in the event the custodian dies, resigns, or is unable to serve upon delivering proof satisfactory to us of his or her authority to act as a custodian. We have no duty to: (1) determine if the person designated or action as custodian has been duly designated; (2) determine if an act of the custodian is in accordance with or authorized by the Texas Uniform Transfers to Minors Act; (3) question the validity or propriety of any instrument or any instructions executed or given by a person action as a donor or custodian; or (4) oversee the application by a custodian of money or other property paid or delivered to the custodian.

When the minor reaches the age of majority, or other age stipulated in any applicable court order, you, as custodian, have the responsibility to pay the funds in the account to the minor and close the account. If you fail to transfer the money in the account to the minor within a reasonable time after the minor reaches the age of majority, or other age stipulated in any applicable court order, we may pay the funds on deposit in the account to the minor in accordance with the custodian's duty without waiting for instructions from the custodian. You agree to indemnify and hold us harmless for any failure to transfer the money in the account to the minor upon the minor reaching the age of majority or other age stipulated in any applicable court order.

Accounts for Minors

At our option, we may accept deposits in the name of a minor. Minor accounts must have a creditworthy joint owner at least 18 years of age who will be jointly and severally liable for any amounts owing to us out of the account. We may make payments or deliver other rights solely to the minor without regard to the minor's minority, and you acknowledge and agree that we are discharged from liability to the extent of any such payment or delivery. We have no duty to inquire of the use or purpose of any transaction requested by the minor or any joint owner. You may not pledge a minor account as collateral for a loan or for any other purpose. When the minor reaches the age of majority, we may require the consent of all account owners before changing the form or ownership of the account.

Trust Accounts

Please note that TDECU no longer offers trust accounts. The following terms and conditions apply to existing trust accounts at TDECU.

This type of account is established by one or more trustees in connection with a separate written trust document. In your capacity as a trustee, you may have opened an account to hold the funds of your trust and be named as trustee in our records. If you are named as a trustee, you have the same rights, responsibilities and liabilities as an owner of an account under this Handbook to open, change, add or close an account or service. Each trustee understands that any trustee acting alone may make changes to the account, transact on the account, and/or close the account, and that his or her continued use of an account or service confirms his or her agreement to any later change, addition or closure of an account and/or service by any other trustee on the account. While any trustee may change, add to or close the account and/or a service acting alone, we may require all trustees to consent in writing to the addition or removal of any trustee to or from the account. All trustees agree that we have no duty to notify the trustees of any transaction, change, addition to or closure of an account or service by any trustee acting alone.

We may require you to provide us with a notarized trust certification confirming your power as a trustee when you transact on the account. We are not required to know, understand, interpret, or enforce the terms of your written trust document. You agree that if we make payment to any trustee or successor trustee, or at the direction of any one of the trustees or successor trustees named, that payment will be valid and discharge us from any liability for the sums paid. **You agree that we will have no fiduciary responsibility or obligation in connection with any such account beyond our obligations set forth in this Handbook, and that we will serve solely as a depository for the trust funds.**

Representative Payee Accounts

At our option, we may accept deposits in accounts established in a member's name and for the member's benefit by an individual appointed as a Social Security Administration or Veterans Administration "Representative Payee." Funds in a Representative Payee Account are owned by the member beneficiary. Only the Representative Payee, however, shall have direct access to the funds on deposit. If an account is opened, you (whether as beneficiary or as Representative Payee) agree that we may accept deposits, including direct deposits from the Social Security Administration and Veterans Administration, that we may permit withdrawals from the account by the Representative Payee through such means as we may prescribe from time to time, and that we may restrict access to the account by the beneficiary. You agree that the Representative Payee alone will be responsible for compliance with the Rules of the Social Security Administration or Veterans Administration governing such accounts. You agree that if we make payment to or at the direction of a Representative Payee, any such payment will be valid and will discharge us from any liability for the sums paid. You agree that we: (1) may rely upon any appointment of a Representative Payee that we believe in good faith is valid; (2) will have no fiduciary responsibility or obligation in connection with any such account beyond our obligations otherwise set forth in this Handbook; and (3) will have no duty to oversee the application by a Representative Payee of any funds withdrawn from the account. You agree that, if any deposit to an account is subsequently reversed, whether by the Social Security Administration, Veterans Administration, or otherwise, we may transfer funds in other accounts held by the beneficiary or the Representative Payee in order to cure any overdraft that may occur as a result of such reversal. You agree to indemnify, defend, and hold us harmless from any claim, demand, suit, or other charge by any person or entity arising out of or resulting from the establishment, maintenance, and transaction of any business related to a Representative Payee Account or any other account designated for the receipt of government benefits.

Other Fiduciary Accounts

At our option, accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. For example, and at our option, you may open an account to hold the funds of an estate, memorial, guardianship, conservatorship, fund or other fiduciary, legal or court ordered purpose with us. We reserve the right to require any documents we reasonably request to satisfy us that you are authorized to open and use the account, including withdrawing the funds. We do not have to permit any withdrawal from the account until we receive all requested documents. Funds in a fiduciary account may not be pledged as security for any loan. Under no circumstance will TDECU be liable for the actions of the fiduciary or obligated to ensure that the fiduciary's actions are in accordance with any instructions, guidance or directives provided to them. The fiduciary's authority to conduct business with us will continue in force until we receive written notice to the contrary.

OTHER LEGAL TERMS

Waiver

Our delay in enforcing any of the terms and conditions of this Handbook will not prohibit us from enforcing such terms and conditions at a later date.

Changes to this Handbook, Products or Services

We reserve the right to change the terms of this Handbook, including any fees and features of your account, at any time. We may add new terms, and delete or amend existing terms. We may add new products and services and discontinue offering existing accounts or services. We may convert existing accounts and services into new accounts and services. We will notify you about changes if required by applicable law. We may direct you to www.tdecu.org for the content of any changes or the revised Handbook unless the law requires a different method. You agree that notice of any changes may be provided to any joint owner.

When we change this Handbook, the then-current version of this Handbook supersedes all prior versions and governs your account. If you continue to use your account or keep it open, you are deemed to accept and agree to the change and are bound by the change. If you do not agree with a change, you may close your account(s).

Our Right to Close your Accounts

We may close your accounts at any time upon reasonable notice to you and mail the account balance to the address we have in our records. We reserve the right to close any of your accounts if you misuse your accounts (such as repeated items returned due to non-sufficient funds or you consistently overdraw your account) or abuse your membership privileges. We may return deposits and payments, and other items that we receive after your account is closed, without liability to you. Please refer to the part of this Handbook entitled *Member Conduct and Limitation of Services Policy* for additional information regarding when we may limit your access to member services.

Sometimes after an account is closed, we receive a deposit for credit to the account or a check or other item for payment from the account. If this happens, we may at our option and without any liability to you either: (1) return the deposit, check or other item; or (2) we may reopen the account and accept the deposit, check or other item for your, even if this overdraws your account.

Records

We may in our discretion retain records in any form including, without limit, paper, digitized, or other electronic medium. If we are not able to produce the original or a copy of your signature card or any other document relating to your account or service, our records (including our electronic records) will be deemed conclusive. If there is a discrepancy between your records and our records, our records will be deemed conclusive.

Telephone Calls: Calling, Monitoring, and Recording

When you give a telephone number directly to us, or place a telephone call to us, you authorize us to place calls to you at that number. You understand that a “telephone number” includes a cell phone number and “calls” include both telephone calls and text messages to or from your phone or cell phone. As examples, we may place calls to you about fraud alerts, deposit holds, and amounts you owe us (collection calls) on your account. When we place calls to you, we may use automatic dialers and artificial, text, or prerecorded messages.

You authorize us to monitor and record telephone conversations and other electronic communications you have with us and with our representatives for reasonable business purposes, including security and quality assurance. We will not remind you that we may be monitoring or recording a call at the outset of the call unless required by law to do so.

Voiceprint Authentication

To better serve our members and enhance our fraud prevention measures, we may use voiceprint authentication to verify member (or other authorized person) identity when calling TDECU. Voiceprint authentication data will be obtained and used solely for the purpose of identity verification and will not be sold or used for other purposes. If the authentication process determine that the person calling in to TDECU is not the member or other person authorized on the account, then alternate security measures will be used to verify member identity.

Your Responsibility to Keep us Informed of your Contact Information

We may send notices, statements, and other communications regarding your account to you at the electronic or street address we have in our records for your account. You agree to notify us immediately and in any event within thirty (30) days of any changes to your legal name, your address or other personal/non-personal information on file with us. We reserve the right to restrict or cancel mailings to members, joint owners or authorized signers who are in default of this Handbook due to incorrect address information.

Inactive Accounts

We will consider an account “inactive” if for more than one (1) year there has not been a debit or credit (deposit, withdrawal, or transfer) to the account because of an act by you or your agent (other than us) or you have not communicated with us. We may also terminate an inactive account and deposit the funds in another account, mail a check to you at the address reflected in our records, or if allowed, remit the funds to a state as abandoned or unclaimed property.

Unclaimed Accounts

Each state has laws that govern when accounts are considered abandoned or unclaimed and when we are required to send a member’s funds in an abandoned or unclaimed account to the state. In the State of Texas, an account is presumed abandoned if (1) the account has been inactive for at least three (3) years from the date of your last transaction on the account or your last communication with us, and (2) we are unable locate you. If any account remains inactive and is unclaimed by you for the period specified under applicable state law, we are required by that law to remit the funds to the state. We may charge a fee for mailing you a notice regarding your unclaimed property and/or a service charge for money orders that are deemed abandoned as set forth in our *Fee Schedule*. To recover funds turned over to the state, you must file a claim with the state. Once funds are surrendered to the state, we no longer have any liability or responsibility with respect to the funds.

No Fiduciary Relationship

Our deposit with you is that of debtor and creditor. This Handbook and the deposit relationship do not create a fiduciary, quasi-fiduciary or special relationship between us regardless of how you title your account, or whether you yourself act in a fiduciary or similar capacity with respect to funds deposited with us. We owe you only a duty of ordinary care.

Legal Process and Requests for Information

“Legal process” includes any document that appears to have the force of law that requires us to place an administrative hold on or pay out funds from your account, including but not limited to a garnishment, receivership, writ of attachment, levy, tax withholding order, injunction, restraining order, search warrant, government agency request for information, forfeiture, seizure or subpoena. If we receive any legal process relating to you or your

account, you authorize us to comply with it. You understand and agree that we must comply if we are served with any legal process relating to your account that we know or otherwise believe in good faith is valid. You understand that we are under no obligation to notify you of the legal process and will not notify you if prohibited by law. You understand that you (and not us) must contest any such legal process or our compliance with it directly with the third party issuing the legal process.

We may hold and turn over funds or other property to the court or creditor as directed by the legal process, subject to our right of offset and any security interest we have in the funds or other property. If we hold or turn over funds, we may without any liability to you return checks and other items unpaid and refuse to permit withdrawals from your account. If the legal process applies to a certificate of deposit account, we may charge the applicable early withdrawal penalty for funds taken from the time deposit.

We may charge your account a fee for each legal process, as set forth in our *Fee Schedule*. You agree to pay us for fees and expenses (including administrative expenses) that we incur in responding to any legal process related to your account, such as expenses for research and copying of documents. The fees and expenses may include attorneys' fees. We may deduct these fees and expenses from any of your accounts without prior notice to you.

You understand and agree that if the legal process directs us to release information about one or more, but not all, accounts that are reported on a combined statement, we may release the entire combined statement, even though other accounts reported on the combined statement are not covered by the legal process. If the legal process requests information about one or more, but not all, account owners or signers, we may release information about all co-owners and signers on the account, even though some of the other co-owners or signers are not covered by the legal process.

You agree to contact the third party that issued the legal process if you have questions about it and further agree to release us from liability and hold us harmless for our compliance with such legal process.

Protecting your Account Number, PINs, and Access Devices

It is your responsibility to protect the account numbers, PINs, and electronic access devices (e.g., a debit card) we provide you for your account(s). You agree not to disclose your account number(s) and/or PINs to anyone unless you are willing to give them full use of your money. If you disclose your account number(s), PINs, and/or provide your access device to another person (a family member or friend, for example) in connection with granting authority to that person to transact on your account, and that person then exceeds that authority, you are liable for the transactions. We are not responsible for any loss that results from your negligence, including without limitation, your failure to adequately protect your account number, access devices or other personal information.

Pledging Account Funds

Each account owner may pledge all or any part of the funds on deposit for any purpose to which we agree. Any pledge of funds in an account must first be satisfied before the rights of any joint account survivor or POD beneficiary becomes effective. For example, if one joint account owner pledges funds in an account as collateral for a loan and then dies, the surviving joint account owner does not have any right to the pledged funds until the debt has been satisfied, and such debt may be satisfied with the funds in the account.

Our Right of Offset

We may, without prior notice and when permitted by law, exercise our right of offset against any of the funds in any of your accounts against any debt (whether or not matured, due, payable, in default or accelerated) or obligation that you owe us. We will not be liable for a returned check if the check was returned because we charged and deducted an amount you owe us from your account. You agree to indemnify and hold us harmless from and against any and all claims, damages, losses, liabilities, expenses, and fees (including reasonable attorneys' fees) arising out of or relating to the exercise of our right of offset. We will also have the right to place an administrative hold on such funds pending offset. We may apply all funds in a joint account to satisfy a debt owed to us by any one or more of the joint owners. In addition, we may, after the death of any account owner, offset against a joint account or an account with POD payees the debts and obligations of the deceased account owner, up to the full amount in the account at the time of the account owner's death. In addition, you consent and agree that our right of offset includes the offset of government benefits (such as Social Security and other public benefit funds) deposited in your account to the maximum extent permitted by applicable law.

Collections

You agree to repay any amounts which create an overdrawn balance on any of your accounts immediately upon demand. If we undertake any legal action to enforce any provision of this Handbook or to collect money you owe, you agree to pay our collections costs, including reasonable attorneys' fees, court costs, and other charges incurred for enforcing our rights under this Handbook.

Share Insurance

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

Illegal Activities

You may not use any of your accounts with us to engage in any transaction that would be considered a crime under local, state or federal law, or in any illegal activity. If you use any of your accounts directly or indirectly in an unlawful manner, you understand that we may exercise any rights available to us, including, but not limited to, limiting your access to member services and/or closing your TDECU accounts. We may refuse to authorize any transaction that we may believe may be illegal.

Assignment of Member Handbook

The terms and conditions in this Handbook will be binding on you, your personal representatives, executors, administrators and successors. You may not assign this Handbook to any other party. We may assign this Handbook at any time in our sole discretion. We may also assign or delegate any of our rights and responsibilities under this Handbook to third parties.

Severability

If any part of this Handbook is held unenforceable, the remaining provisions of this Handbook will remain in full force and effect.

No Waiver

TDECU can delay enforcing any provision under this Handbook any number of times without losing its right to enforce them at a later date.

Permitted Time for Filing a Lawsuit or Commencing Arbitration

You must file any lawsuit or arbitration against us within one (1) year after the cause of action arises.

Rules Governing Your Account

This Handbook, all accounts and services provided to you, and any dispute relating to those accounts and services are governed by federal law and, when not superseded by federal law, Texas law. Account transactions may also be subject to applicable clearinghouse rules and Federal Reserve rules and regulations.

Indemnification and Limitation of Liability

You agree to indemnify, defend, and hold us harmless from and against any and all claims, demands, actions, costs, losses, liability, expenses and fees (including, without limitation reasonable attorneys' fees, collection costs, skip-tracing fees, and third party fees) which we incur by acting in accordance with this Handbook or as a result of your failure to abide by its terms.

We are not liable to you for errors that do not result in a financial loss to you. We may take any action authorized or permitted by this Handbook without being liable to you, even if such action causes you to incur fees, expenses or damages.

We are not liable to you for any claim, cost, loss, or damage caused by an event that is beyond our reasonable control. In particular, we are not liable to you if circumstances beyond our reasonable control prevent us from, or delay us in, performing our obligations for a service, including acting on a payment order, crediting a funds transfer to your account, processing a transaction or crediting your account. Circumstances beyond our reasonable control include: a natural disaster; emergency conditions, such as fire, theft, or labor dispute; a legal constraint or governmental action or inaction; the breakdown or failure of our equipment for any reason, including a loss of electric power; any mail or courier service; suspension of payments by another financial institution; or your act, omission, negligence, or fault.

Our liability for a claim will be limited to the face value of an item or transaction improperly dishonored or paid or the actual value of any deposits not properly credited or withdrawals not properly debited.

YOU UNDERSTAND AND AGREE THAT WE WILL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES IN ANY CLAIM OR ACTION ARISING FROM THIS HANDBOOK, REGARDLESS OF WHETHER YOU HAVE ADVISED US OF THE POSSIBILITY THAT YOU MAY INCUR SUCH DAMAGES. IF WE FAIL TO (1) STOP PAYMENT ON AN ITEM; OR (2) PAY AN ITEM BEARING AN UNAUTHORIZED SIGNATURE, FORGED SIGNATURE, OR FORGED ENDORSEMENT OR ALTERATION; OR (3) EXERCISE ORDINARY CARE IN HANDLING AN ITEM, OUR LIABILITY, IF ANY, WILL BE LIMITED TO THE FACE AMOUNT OF THE ITEM.

PART 4: TRUTH IN SAVINGS ACT DISCLOSURES

INTEREST INFORMATION

Paying Interest

We pay interest on your accounts in accordance with TDECU's Bylaws, the Texas Credit Union Law, and the Truth-in-Savings Act and Regulations. Interest is paid from current income and available earnings after required transfers to reserves at the end of a dividend period. The interest rate and APY may change at any time, as determined by TDECU's Board of Directors. Current rate information and minimum balance requirements to open and earn the APY are stated on the *Rate Schedule* accompanying this Handbook. You may also obtain current rate information by calling TDECU at (800) 839-1154 or visiting our website at www.tdecu.org.

Compounding and Crediting

Interest compounding and crediting information for each type of interest-bearing account is found below.

Interest Accrual on Non-Cash Deposits

For interest-bearing accounts, interest will begin to accrue on the business day you deposit non-cash items (for example, checks) to your account if deposited before the close of business.

SAVINGS ACCOUNTS

Rate Information

The interest rate and APY may change at any time as determined by TDECU's Board of Directors.

Interest Compounding & Crediting

For interest-bearing savings accounts, interest will be compounded and credited monthly on the last day of the month.

Minimum Deposit and Balance Requirements

The minimum deposit required to open a savings account is \$5. The minimum balance required to earn the disclosed APY is \$5.

Daily Balance Computation Method

Interest is calculated using the daily balance method, which applies a daily periodic rate to the balance in the account each day.

Fees and Charges

Fees and charges that may be assessed against your accounts are disclosed in the *Fee Schedule*. You authorize us to charge any account in which you have an ownership interest for any such fees or charges assessed without notice to you.

CHECKING ACCOUNTS

Rate Information

The interest rate and APY may change at any time as determined by TDECU's Board of Directors.

Interest Compounding & Crediting

Interest will be compounded and credited monthly on the last day of the month.

Minimum Deposit and Balance Requirements

No minimum deposit is required to open a checking account, and no minimum balance is required to earn the disclosed APY.

Daily Balance Computation Method

Interest is calculated using the daily balance method which applies a daily periodic rate to the balance in the account each day.

Transaction Limitations

No transaction limitations apply to checking accounts.

Fees

Fees and charges that may be assessed against your accounts are disclosed in the *Fee Schedule*. You authorize us to charge any account in which you have an ownership interest for any such fees or charges assessed without notice to you.

Additional Terms and Conditions

In addition to any other reasons stated in this Handbook, we may close your checking account if you:

- Fail to maintain sufficient funds in the account.
- Have items returned for non-sufficient funds (NSF).
- Fail to abide by the terms and conditions in this Handbook.
- If the account remains negative for more than 30 consecutive days.

Additional Terms and Conditions Applicable to High-Yield Checking Accounts

High-Yield Checking accounts are available only to members age eighteen (18) and over. Only one High-Yield Checking account allowed per member. You must enroll in eDocuments, have direct deposits totaling \$500 or more per month, and perform at least ten (10) debit card transactions per month. Debit card transactions must be at least \$1. In order to count toward the minimum, debit card transactions must post (settle) in the statement cycle for which they are to be counted. If account requirements are met, your checking account and savings account will both earn the higher stated APY. If account requirements are not met during any month, your checking account and savings account will earn the lower stated APY. In the month your account is closed, the lowest rate stated will be earned for the entire month.

Additional Terms and Conditions Applicable to Forward Checking Accounts

Please note that TDECU no longer offers Forward Checking Accounts. The following terms and conditions apply to existing Forward Checking Accounts at TDECU.

Forward Checking accounts are available only to members age eighteen (18) and over. Only one Forward Checking account allowed per member. You must enroll in Mobile Check Deposit and schedule one ACH recurring deposit or perform at least six (6) POS debit card transactions each month or a fee may be charged. The six (6) POS transactions must be posted and settled by the merchant to the account by the end of the month. The cut-off time for a POS transaction to be posted and settled on the last day of the month is 9 a.m. Central time. You must enroll in eDocuments or a fee may be charged for receiving paper statements and notices. If you have more than two (2) in-branch or Member Care transactions (including balance inquiries) in one month, a fee may be charged.

ATM fees incurred at non-TDECU ATMs will be refunded up to a maximum of \$30 per month. If the above stated account requirements are not met, ATM refunds will not be given for that particular month.

MONEY MARKET ACCOUNT

Rate Information

The interest rate and APY may change at any time as determined by TDECU's Board of Directors.

Interest Compounding & Crediting

Interest will be compounded and credited monthly on the last day of the month.

Minimum Deposit and Balance Requirements

The minimum deposit required to open a Money Market account is \$2,500. You must maintain a minimum daily balance of \$2,500 in your account to avoid a monthly maintenance fee and to earn the stated APY. If, during any month, your account balance fall below the required minimum daily balance, your account will be subject to a monthly maintenance fee and the interest rate will default to the interest rate paid for a checking account for that month.

Daily Balance Computation Method

Interest is calculated using the daily balance method which applies a daily periodic rate to the balance in the account each day.

Fees

A monthly maintenance fee may be charged if your minimum daily balance falls below the \$2,500 requirement. In addition, an excessive transaction fee may be charged if you exceed the transaction limitations stated above. See *Fee Schedule*.

IRA MONEY MARKET ACCOUNT

Rate Information

The interest rate and APY may change at any time as determined by TDECU's Board of Directors.

Interest Compounding & Crediting

Interest will be compounded and credited monthly on the last day of the month.

Minimum Deposit and Balance Requirements

The minimum deposit required to open this account is \$2,500. You must maintain a minimum daily balance of \$2,500 in your account to avoid a monthly maintenance fee and to earn the stated APY. If, during any month, your account balance fall below the required minimum daily balance, your account will be subject to a monthly maintenance fee and the account will earn interest at the regular IRA savings account rate.

Daily Balance Computation Method

Interest is calculated using the daily balance method which applies a daily periodic rate to the balance in the account each day.

There are no transaction limitations for IRA Money Market accounts.

Fees

There are no monthly service fees for IRA Money Market accounts.

IRA SAVINGS ACCOUNT

Rate Information

The interest rate and APY may change at any time as determined by TDECU's Board of Directors.

Interest Compounding & Crediting

Interest will be compounded and credited monthly on the last day of the month.

Minimum Deposit and Balance Requirements

There is no minimum deposit required to open this account.

Daily Balance Computation Method

Interest is calculated using the daily balance method which applies a daily periodic rate to the balance in the account each day.

There are no transaction limitations for IRA Savings accounts.

Fees

There are no monthly service fees for IRA Savings accounts.

CERTIFICATE OF DEPOSIT

Rate Information

The interest rate and APY may change at any time as determined by TDECU's Board of Directors. After opening a Certificate account, the interest rate will be paid until maturity.

Compounding and Crediting

Interest will be compounded monthly and will be credited monthly and at maturity.

Minimum Balance Requirements

The minimum opening deposit required to open a Standard Certificate of Deposit is \$1,000. The minimum opening deposit required to open a Jumbo Certificate of Deposit is \$100,000.

All conditions, terms, rates and computation information will be contained in the Certificate Agreement that will be provided to you at the time the certificate is opened.

PART 5: OVERDRAFT PROTECTION PROGRAMS

GENERAL

This part of the Handbook describes the various overdraft protection plans TDECU offers in which we will pay certain transactions even when your account's available balance (defined below) is insufficient to pay the transaction. You can elect to opt-out of these services at any time, which may result in your transactions being denied for nonsufficient funds ("NSF") if your account's available balance is insufficient to pay for your transaction.

While we provide these services for your convenience and as a way to help you avoid NSF transactions and associated fees, you are responsible for making sure that your account always contains sufficient available funds to cover all of your transactions.

We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we pay a transaction that overdraws your account, we are not obligated to continue doing so in the future. We may pay all, some, or none of your overdrafts, without notice to you. You are liable to us to repay any overdrafts on your account whether caused by you or a joint account owner. We may close, without notice, any account with excessive NSF or overdraft activity, and report the account to a consumer reporting agency.

We assess a fee for each item that we either pay, which results in an overdraft, or do not pay, which would have resulted in an overdraft had we paid it. If we pay an item under our Courtesy Pay Service, we will charge a Courtesy Pay Fee as set forth in the *Fee Schedule*. If we return an item, we will charge an NSF Fee as set forth in the *Fee Schedule*.

We recommend that you enroll in one of the optional overdraft protection plans described below which can help you avoid overdrafts and returned items. At this time, TDECU does not charge any fees when you use an optional overdraft protection plan to cover an overdraft. Refer to the "Optional Overdraft Protection Plans" section below for more information.

YOUR CHECKING ACCOUNT BALANCE

Your checking account has two kinds of balances: the **actual balance** and the **available balance**. Both can be checked when you review your account online, at a TDECU-owned ATM, by phone, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. This section explains actual and available balances and how they work.

Your **actual balance** is the amount of money that is actually in your account at any given time, but not all funds included in the actual balance are considered "available" for transactions on your account. The actual balance is also referred to as: (1) your "account balance" on TDECU ATM receipts, (2) your "current balance" in Online Banking and Mobile Banking, and (c) your "current balance" when you use our automated telephone banking system. Your actual balance reflects transactions that have posted to your account, but not transactions that have been authorized and are pending. While the term "actual balance" may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case. Your actual balance will not reflect any purchases, holds on deposits, fees, other charges, or deposits made on your account that have not yet posted. For example, if you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance is \$50 but it does not reflect the pending check transaction. So at that point, you have an actual balance of \$50, but you have already spent \$40.

Your **available balance** is the amount of money in your account that is available to you to use without incurring an overdraft fee. The available balance takes into account factors such as holds placed on deposits and pending transactions (such as pending debit card purchases) that TDECU has authorized but that have not yet posted to your account. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you swipe your debit card at a restaurant to buy lunch for \$20, the merchant could ask us to pre-authorize the payment in that amount. In this case, if the merchant requests preauthorization in the amount of \$20, we will place a "hold" on your account for \$20 (referred to as an "authorization hold"). Your actual balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because of the restaurant's preauthorization request that resulted in an authorization hold on \$20 in your account. When the restaurant submits its bill for payment (which could be a few days later), we will release the authorization hold, post the transaction to your account, and your actual balance will be reduced by the amount of the posted transaction.

We use your available balance to determine whether your account is overdrawn and whether fees will be assessed.

For debit card transactions involving merchant authorization holds, we check the available balance at the time the authorization hold is applied to determine whether the transaction results in an overdraft and potential related fees; if the available balance was sufficient when the authorization hold

was applied but the available balance is insufficient when the transaction actually posts, you will not be charged an overdraft fee. Your account is considered overdrawn when the available balance in your account is negative (less than \$0).

The following example illustrates how this works:

Assume your actual and available balance are both \$50, and you use your debit card at a restaurant for \$20. If the restaurant requests preauthorization in the amount of \$20, an authorization hold is placed on \$20 in your account, so your available balance is only \$30. Your actual balance would remain \$50. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 clears. Because your available balance is only \$30 (due to the authorization hold of \$20), your account will be overdrawn by \$10, even though your actual balance is \$50. In this case, if we pay the \$40 check under the Courtesy Pay Service, we will charge you a Courtesy Pay Fee as disclosed in our *Fee Schedule*. That fee will be deducted from your account, further increasing the overdrawn amount.

YOU ACKNOWLEDGE THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE. This is because your available balance may not reflect all your outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not yet been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and paid from your account. In addition, your available balance may not reflect the most recent deposits to your account. Refer to our *Funds Availability Policy* for information regarding when your deposits will be available for withdrawal. You should not assume that you can avoid overdrawning your account by making a deposit before a check or other item is presented for payment because your deposit may not be immediately available for withdrawal.

HOW TRANSACTIONS ARE POSTED TO YOUR ACCOUNT

General

There are basically two types of transactions in your account: credits (adding funds to your account) or debits (subtracting funds from your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time.

We use automated systems to process transactions and then to post transactions to accounts. When we process multiple transactions for your account on the same day, you agree that we may, in our discretion, determine our posting orders for the transactions and that we may credit, authorize, accept, pay, decline or return credits, debits and holds in any order at our option.

Posting Order

This section explains generally how and when we post transactions to your account. We group the different types of transactions into categories. We use several different categories for holds, credits, and debits. Most categories include more than one transaction type.

- **Credits.** Most deposits are added to your account when we receive them. However, funds from check deposits may not be available right away. For details on the availability for withdrawal of your deposits, see the section of this Handbook called *Funds Availability Policy*.
- **Debits.** There are several types of debit transactions. Each type of debit transaction is described generally below. Keep in mind that debits are most often presented for payment by merchants, and TDECU is not in control of when transactions are received.
 - **Checks:** When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and posted to your account each day. When multiple checks are received in the same day, we process them from lowest dollar amount to highest dollar amount.
 - **ACH Payments:** We receive data files every day from the Federal Reserve with ACH transactions. These include, for example, automatic bill pays you have signed up for. Each day, ACH transactions for your account are grouped together and paid in lowest to highest dollar value. Credits are posted first, and then debits.
 - **Debit Card Transactions:**
 - **PIN-based Debit Card Transactions:** These are transactions where you use your debit card and you enter your PIN at POS. They are similar to ATM withdrawals because money is usually deducted from your account immediately at the time of the transaction.
 - **Signature Debit Card Transactions:** These are transactions where you make a purchase with your debit card and you do not enter your PIN (e.g., the merchant asks you to sign for the purchase, or you make a purchase online where entering a PIN is not required). In these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally place a temporary hold against the available funds in your account. We refer to this temporary hold as an “authorization hold,” and the amount of the authorization hold will be subtracted from your available balance. Authorizations are deducted from your available balance but not your actual balance as they are received by us throughout each day. At some point after the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received.

The above is a general description of how certain types of transactions are posted. These practices may change and we reserve the right to pay items in any order we choose as permitted by law.

Changing Posting Orders

You agree that we may determine in our discretion the order in which we post transactions to your account. You agree that we may determine in our discretion the categories, the transactions within a category, the order among categories, and the posting orders within a category. We may add or delete categories, change posting orders within categories and move transaction types among categories. You agree that we may in our discretion make these changes at any time without notice to you.

Posting Orders

We receive credits, debits and holds throughout the day. Every time we post transactions, we post credits before debits, lowest dollar amount to highest dollar amount.

We receive credits, debits and holds throughout the day. During the day, some transactions will show as processing or pending. Please note that transactions shown as processing or pending have not been posted yet. The posting order for these transactions is determined at the end of the day, with the other transactions we receive for that day. Please note that we may not receive debits on the same day that you conduct them. For example, when you use your debit card to pay for a purchase at a merchant and sign for the transaction, we usually receive an authorization request from the merchant the same day, but we might not receive the final debit card transaction for payment and posting until several days later.

We generally post credits and debits to your account, and report them on your periodic statement, in a different order than the order in which you conduct them or we receive them.

Overdraft Fees

We generally determine at the time we post a debit to your account whether it creates an overdraft and whether an overdraft or returned item fee applies. You can avoid overdraft and returned item fees by making sure that your account always contains enough available funds to cover all of your transactions. When your account balance includes some funds that are subject to a hold, dispute, or legal process, you should note that those funds are not available to cover your transactions.

Our posting orders can impact the number of overdraft fees we charge you when you do not have enough available funds to cover all of your transactions. When several debits arrive the same business day for payment from your account and you do not have enough available funds in your account to cover all of the debits we receive for that day, you understand that some posting orders can result in more overdrafts, and more fees for overdrafts and returned items, than if we had used other posting orders. You agree that we may, in our discretion, choose our posting orders, and also change them from time to time, regardless of whether additional fees may result.

When your account balance includes some funds that are not available at the time that we post a debit, and you do not have enough available funds in your account to cover the debit, the debit results in an overdraft and we generally charge you an overdraft fee or returned item fee for the debit. Please note that we do not show holds or distinguish between available and unavailable funds in your account balance on your periodic statement so when you review your periodic statement later, it might appear that you had enough available funds in your account to cover a debit for which we charged you a fee.

IMPACT OF HOLDS ON YOUR ACCOUNT BALANCE

Sometimes funds in your account are not available to cover your checks and other items. When we determine that funds in your account are subject to a hold, dispute, or legal process, then these funds are not available to cover your checks and other items. We usually make this determination once at the end of the day when we process items. As examples of holds, holds include deposit holds, holds related to cash withdrawals, and authorization holds we place on the account for debit card transactions.

Debit card transactions and related authorizations may impact your **available balance**. It is important to know that your available funds may change between the time you authorize a transaction and when the transaction is paid. When you use your debit card to pay for goods or services, you authorize the merchant with whom you use your card or to whom you previously provided your information to ask TDECU to approve the transaction. At this time, in order for the transaction to go through, we must commit to make the requested funds available when the transaction finally posts. This is what we refer to as an "authorization hold."

The amount of the authorization hold will be subtracted from your **available balance** as authorization requests are received by us throughout each day. If, while the hold is in place, you do not have enough available funds in your account to cover other transactions you may have conducted (such as a check you previously wrote), those items may overdraw your account or be returned unpaid. This may result in an overdraft fee on the debit card transaction if this happens. In most cases, the hold expires when the transaction is paid.

Until the transaction finally settles or we otherwise remove the hold, the funds subject to the hold will not be available to you. If the hold expires and the transaction has not been paid, the amount being held is added back to your **available balance**. After the hold expires, we determine whether you have sufficient funds available to pay the debit card transaction. If you do not have sufficient funds, the debit card transaction will cause you to overdraw your account. This can occur even if your account did have sufficient available funds when the merchant requested authorization.

Your debit card transaction is paid when the merchant presents it to TDECU for payment—that is, when the merchant asks us to transfer the funds from your account to the merchant. It is important to note that authorization and payment of debit card transactions do not occur simultaneously—there can be days in between.

If other account activity has created a negative balance in your account before the debit card transaction is paid, you may no longer have sufficient funds to pay the merchant. If that occurs the debit card transaction will overdraw your account because we must honor our commitment to pay the merchant.

OPTIONAL OVERDRAFT PROTECTION PLANS

We offer optional overdraft protection plans for your convenience, such as a Personal Line of Credit loan account where your line of credit is used for overdraft protection, and overdraft protection from another deposit account where funds from a linked savings account are used for overdraft protection. If you qualify for these optional services, we will look first to these services for overdraft protection before applying our discretionary Courtesy Pay Service when your account is overdrawn. These plans are less expensive than the Courtesy Pay Service because we currently do not charge any fees when you use a Personal Line of Credit or linked savings account to cover an overdraft.

- **Personal Line of Credit.** This plan links an eligible TDECU Personal Line of Credit to your checking account for overdraft protection. Our Personal Line of Credit is available to members meeting certain credit requirements. If you are approved for a Personal Line of Credit, you will be provided with a separate agreement which contains the terms and conditions applicable to the Personal Line of Credit. If you link your Personal Line of Credit to your checking account to cover overdrafts, you authorize us to automatically advance funds from your linked line of credit and transfer the funds to your account. The advance is made under, and is subject to, the terms and conditions described in the Personal Line of Credit agreement. We ordinarily make the advance as long as you are not in default under the Personal Line of Credit agreement and as long as the advance does not cause you to exceed the amount of your available credit on your Personal Line of Credit.

We do not charge a fee for advances from your Personal Line of Credit to cover overdrafts.

- **Overdraft Protection from Another Deposit Account.** This plan links your checking account to another TDECU deposit account for overdraft protection. With this service, you authorize us to make transfers of available funds automatically from your eligible deposit account to cover overdrafts in your checking account. Transfers from your linked deposit account are made in the exact amount of the overdraft. We will not transfer more than the available account balance in a linked deposit account, even if the amount of the overdraft is more than the available amount.

We do not charge a fee for transfers made from your linked deposit account.

Once your overdraft protection plans are exhausted, if you are eligible for the Courtesy Pay Service, your items may be paid up to the amount of your Courtesy Pay limit and a Courtesy Pay Fee will be charged to your checking account for each overdraft authorized and paid through the Courtesy Pay Service. If you are not eligible for, or have opted out of, the Courtesy Pay Service, your items will not be paid, they will be returned, and an NSF Fee will be charged each time the item is returned. Transfers will appear on your periodic statements for each applicable account.

ESTABLISHING OR CANCELING OPTIONAL OVERDRAFT PROTECTION PLANS

Any owner of the checking account, any owner of a linked deposit account, or any borrower on a Personal Line of Credit account may enroll in or cancel an overdraft protection plan without the consent of other owners or borrowers. To cancel, you must call TDECU at (800) 839-1154 or visit us at a branch. Cancellation will be effective after we have received notice and have had a reasonable time to act on it. We may cancel optional overdraft protection services at any time without prior notice to you. For a Personal Line of Credit, if there is an outstanding balance due at the time of cancellation, you will be responsible for repayment until the outstanding balance is paid in full.

COURTESY PAY SERVICE AGREEMENT

We offer a Courtesy Pay Service (hereinafter referred to as the “Service”) in which we may, at our discretion, pay your overdrafts that would cause your checking account to have a negative balance. The Service is different than the optional overdraft protection plans discussed above. The Service is a backup to your existing overdraft protection plans and will only be activated if funds are not available from those plans. This Courtesy Pay Service Agreement sets forth the terms and conditions applicable to the Service.

What Overdraft Transactions are Covered?

The Service is available only for the payment of checks, electronic transfers, telephone-initiated transfers, preauthorized payments under our Bill Payment Service, recurring debit card transactions, and ACH drafts and debits. The Service is not available for ATM transactions and everyday non-recurring debit card transactions, unless you opt-in, as described below. “Everyday non-recurring debit card transactions” are usually purchases made with your debit card or debit card number on a one-time or day-to-day basis. For example, you use your debit card for purchases of groceries, gas, or coffee at your local coffee shop. “Recurring debit card transactions” are usually transactions that you set up to occur automatically, such as automatic bill payments. For example, you give merchants your debit card number to use for rent, mortgage, car or utility payments. We rely on the merchant that processes the transaction to determine if it is a recurring transaction or an everyday non-recurring transaction.

Optional Overdraft Transactions

If you would like to include ATM transactions and everyday non-recurring debit card transactions in the Service, you must “opt-in” (in other words, you must provide us with your affirmative consent). Choosing not to opt in may result in these transactions being declined if your available balance is insufficient to cover the transaction.

You understand and agree that we do not require you to authorize the Service for your ATM transactions and everyday non-recurring debit card transactions as a condition of us providing the Service to you for other types of transactions. If you want TDECU to authorize and pay overdrafts for ATM transactions and everyday non-recurring debit card transactions, you must provide us with your consent by: (1) calling us toll-free at (800) 839-1154; (2) visiting any branch; or (3) mailing an opt-in consent form to TDECU, Attn: Member Services, 2000 Post Oak Blvd., Ste. 2100, Houston, TX 77056-4493.

You may revoke your authorization to have us pay your ATM transactions and everyday non-recurring debit card transactions at any time, using any method made available to you for providing consent as described above. Your decision to opt in does not guarantee that we will always pay your ATM transactions and everyday non-recurring debit card transactions when your available balance is insufficient to cover the transaction.

Eligibility for the Service

The Service is not a credit product and requires no application or credit approval process; it is a feature that is automatically included with eligible checking accounts (unless you opt out of the Service entirely as described below). Eligibility is at the sole discretion of TDECU. We generally make the Service available if you meet the following criteria:

- You are over the age of eighteen (18);
- You are a member in good standing. Please refer to the part of this Handbook entitled *Member Conduct and Limitation of Services Policy* for more details;
- Your checking account has been open for at least sixty (60) days with the applicable minimum; and
- You are making regular deposits into your checking account.

We may suspend or permanently revoke the Service from your checking account, in our sole discretion, based on any one or more of the following criteria:

- You stop making regular deposits into your checking account;
- Your membership is not in good standing;
- You become delinquent on any loan or other obligation you have with us;
- You have an outstanding balance due on an overdraft repayment plan;
- Your checking account is subject to any legal or administrative orders or levies;
- You file for bankruptcy;
- Any or all of your accounts with us are being reviewed for improper activity or transactions;
- We classify your checking account as inactive;
- We do not have a valid mailing or email address for you; or
- We believe you are not managing your checking account in a responsible manner which may cause us a loss.

The Service is a Benefit

Any payment made by us under the Service will be made on a case-by-case basis, in our sole and absolute discretion. The Service does not constitute an actual or implied agreement between you and TDECU, nor does it constitute an actual or implied obligation of TDECU. The Service is a privilege that TDECU provides from time to time and which may be withdrawn, limited, or withheld by TDECU at any time, without prior notice, reason or cause.

Courtesy Pay Limit

If you are eligible for the Service, we will generally pay your overdraft items up to a maximum dollar amount determined by us, including fees. TDECU reserves the right to change your Courtesy Pay limit at any time. You acknowledge and agree that we reserve the right to limit the number of checks or other transactions that may be paid by us through the Service. In our sole discretion, we may notify you by mail, or, if you have agreed to receive notices from us in an electronic format, you may be notified electronically, of any nonsufficient funds checks, items or other transactions that have been paid or returned; however, we are not obligated to notify you. You also acknowledge and agree that we are not obligated to notify you before we pay or return any check, item or other transaction. We may refuse to pay any overdrafts without notifying you even though your account is in good standing and even if we have paid overdrafts in the past.

When is the overdraft payment due?

The total of the overdraft (negative) balance in your checking account, including all fees, is due and payable upon demand, and you are required to immediately deposit sufficient funds to bring your account to a positive balance.

Courtesy Pay Fees

A Courtesy Pay Fee will be charged to your checking account, in accordance with our *Fee Schedule*, for each overdraft that is authorized and paid through the Service. This means that more than one Courtesy Pay Fee may be assessed against your checking account per day depending upon the number of overdrafts authorized and paid through the Service. You understand that your Courtesy Pay Limit will be reduced by the amount of each overdraft paid by us through the Service and the amount of the related Courtesy Pay Fee imposed until such amounts are repaid by you at which time we may replenish your Courtesy Pay Limit by the amount of the repayment. If we choose not to pay a transaction under the Service, we may assess

an NSF Fee for each such item per presentment in accordance with our *Fee Schedule*. Your periodic statement will itemize Courtesy Pay Fees and NSF Fees for each cycle, as well as the year-to-date total of fees.

Transfers to Cover Overdrafts

You understand and agree that we have the right to transfer available funds to your checking account from any of your other accounts with us (excluding IRAs and certificate accounts), including accounts where you are a joint owner, in an amount equal to the overdraft and related fees.

Right of Offset

In addition to any other rights we have, you agree that any deposits or future deposits in or other credits to any account in which you may now or in the future may have an interest are subject to our right of offset for any liabilities, obligations or other amounts owed to us by you (e.g. overdrafts and any related fees). Unless you opt out of the Service (see below), you consent and expressly agree that the application of offset of funds in any account includes the offset of government benefits (such as Social Security and other public benefit funds) deposited to the account from which the overdraft or related fees are paid to the maximum extent permitted by applicable law.

Merchants may Resubmit Transactions

If your account does not have sufficient available funds when a transaction is presented to us for payment and, as a result, is returned unpaid, the merchant or payee of your transaction may choose to resubmit the same transaction, and may do so multiple times; this may also occur when you initiate transfers and payments through TDECU online banking or Bill Payment services and your account has insufficient available funds at the time the transaction is scheduled to occur, as we may decline the transaction, charge a NSF Fee, and then resubmit the same transaction at a later time in an attempt to process your requested transaction. In the event a transaction is resubmitted for payment at a time when your account has insufficient available funds to pay it and we decline it, we will charge a related NSF Fee for each resubmitted item each time that same transaction is returned unpaid.

Termination; Suspension.

We may terminate or suspend the Service at any time without prior notice. If we terminate or suspend the Service, you are still required to repay any negative account balance, overdraft fees, collection costs and attorneys' fees, if any.

Your Right to Opt Out of the Service

If you prefer not to have the Service, visit us in a branch, contact us at (800) 839-1154, or write to us at TDECU, Attn: Member Services, 2000 Post Oak Blvd., Ste. 2100, Houston, TX 77056-4493, and include your name, member number and a statement that you are opting out of TDECU's Courtesy Pay Service and we will remove the Service from your checking account. If you opt out of the Service, you will still be charged our NSF Fee for each item returned.

The best way to know how much money you have and avoid paying overdraft fees is to record and track all of your transactions closely.

PART 6: FUNDS AVAILABILITY POLICY

Your Ability to Withdraw Funds

Our general policy is to make funds from your cash and check deposits available to you no later than the first (1st) business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once deposited funds are available, you can withdraw the funds in cash and we will use the funds to pay the items you have authorized.

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 your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

In many cases, we make funds from your deposited checks available to you sooner than we are able to collect the funds. This means that, from time to time, a deposited check may be returned unpaid after we made the funds available to you. Please note that even though we make funds from a deposited check available to you and you withdraw the funds, you are still responsible for problems with the deposit. If a check you deposited is returned to us unpaid for any reason, you will have to repay us and we may charge your account for the amount of the check, even if doing so overdraws your account. We will also charge you a Returned Check Fee as set forth in the *Fee Schedule*.

Deposits at ATMs

All ATMs that we own or operate are identified as TDECU machines. Funds from any check deposits made at TDECU ATMs may not be available until the second (2nd) business day after the day of your deposit. We do not accept deposits at ATMs we do not own or operate.

Longer Delays May Apply

In some cases, we will not make all of the funds that you deposit by check available to you by the first (1st) business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second (2nd) business day after the day of your deposit. However, the first \$275 of your deposits will be available no later than the first (1st) business day after the day of your deposit.

If we are not going to make all of the funds from your deposit available by the first (1st) business day after the day of your deposit, we generally notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice or electronically deliver the notice, if you

have agreed to receive notices from us in an electronic format, by the business day after we receive your deposit. If you need the funds from a deposit right away, you should ask us when the funds will be available.

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

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$6,725 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six (6) months.
- There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh (7th) 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 thirty (30) days your account is open.

- Funds from electronic direct deposits to your account will be available on the same business day we receive the deposit.
- Funds from deposits of cash, wire transfers, and the first \$6,725 of a day's total deposits of cashier's, certified, teller's, and federal, state and local government checks will be available no later than the first (1st) business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$6,725 will be available by the ninth (9th) business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$6,725 will not be available until the second (2nd) business day after the day of your deposit.
- Funds from all other check deposits will be available by the tenth (10th) business day after the day of your deposit.

Special Notice Regarding Endorsement Standards

The federal law dealing with funds availability requires the financial institution's endorsement area on the back of a check be kept clear or unobstructed. This rule is designed to prevent unnecessary delays in processing your deposits as well as to promote speedier returns of dishonored checks. Only the 1 ½ inch space from the "trailing edge" (the left edge of the check when it is facing you) can be used by you for endorsements or any other markings.

We will not be responsible for any losses incurred in the event you deposit a check which is later returned unpaid by the paying bank and that return is "late" due to markings on the check caused by you or a prior endorser on the back of the check.

In the event that you draw a check on your checking account with us, you are responsible for any delay or misrouting of the check caused by markings placed on the check by you that obscure any depository endorsements placed by us or our agent and you agree to hold us harmless and indemnify us from any liability due to such delay or misrouting.

PART 7: SUBSTITUTE CHECKS AND YOUR RIGHTS

What is a Substitute Check?

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

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

What are Your Rights Regarding Substitute Checks?

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

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

If you use this procedure, you may receive up to \$2,500 of your refund, plus interest if your account earns interest, within ten (10) business days after we receive your claim and the remainder of your refund, plus interest if your account earns interest, not later than forty-five (45) calendar days after we received your claim. We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How Do You Make a Claim for a Refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at (800) 839-1154 or write to us at TDECU, Attn: Member Services, 2000 Post Oak Blvd., Ste. 2100, Houston, TX 77056-4493. You must contact us within sixty (60) calendar days of the date that will be mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the periodic statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

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

PART 8: ELECTRONIC BANKING SERVICES

This part of the Handbook sets forth the terms and conditions governing electronic fund transfers (EFTs). We offer a variety of EFT services for deposit accounts. EFTs are electronically initiated transfers of money involving a deposit account at TDECU and multiple access options, such as online banking, mobile banking, direct deposits, ATMs, debit card and automated telephone banking. We describe some of the EFT services in this section and also provide certain disclosures that apply to use of an electronic banking service with deposit accounts. We provide separate agreements to you that govern the terms of some services, including separate agreements for online and mobile banking services. Please review the following terms and conditions and the separate agreements for the services.

ELECTRONIC BANKING SERVICES WE OFFER

Visa Debit Cards and ATM Cards

We may issue you an ATM or debit card (either is called a “Card”) and a personal identification number (PIN) when you open your account. You understand that a Card is not a credit card and does not provide “credit” which means that you may not defer payment of Card transactions. You can use your Visa debit card or ATM card as follows:

Participating Network Transactions:

- Withdraw cash from your savings and checking accounts.
- Balance inquiries on your savings and checking accounts.

ATM Transactions at ATMs owned and operated by TDECU:

- Deposit cash or checks to your savings or checking accounts.
- Withdraw cash from your savings or checking accounts.
- Transfer funds between your savings and checking accounts.
- Check your balances on your savings and checking accounts.

Some of these services may not be available at all TDECU ATMs. Also, ATM services may be limited on ATMs which we do not own, such as, for example, withdrawal limits.

You can use your Card at participating merchants to:

- Purchase goods and services. If you have arranged with a merchant to make recurring payments, you must notify the merchant if your Card number or expiration date has changed or Card is deactivated.
- Withdraw cash while making a purchase using your PIN if the merchant permits the cash-back option.

You can use your Card at participating financial institutions to:

- Obtain a cash withdrawal from a teller.

Automated Telephone Banking

You may use our automated telephone banking system to get account information, transfer funds between your accounts with us, or make payments on qualifying TDECU loans. You must have a valid deposit or loan account and a valid password or PIN to use automated telephone banking. You may use automated telephone banking to:

- Make transfers between your savings and checking accounts.
- Make inquiries regarding account and loan balances.
- Obtain loan payment due date and pay off information (excluding mortgage loans).
- Make loan payments by transferring the amount of the payment due from your savings or checking account.
- Verify cleared checks.
- Place stop payment requests.

You cannot place a stop payment order on or amend or cancel a transfer initiated through automated telephone banking once it has been received by us.

Online Banking, Bill Payment, Mobile Banking and Mobile Deposit

These electronic banking services are governed by separate agreements. You receive the agreement for the service at the time you enroll. You can use these services with linked accounts to view your account information, make deposits, transfer funds between your accounts, pay qualifying loans or credit cards, and make payments from your account to third parties. You can enroll in these services on our website, www.tdecu.org.

ACH Transactions

You can send or receive electronic transfers to or from your accounts by providing another party your checking account number and our routing number. We may transfer funds by ACH or other similar networks. Electronic transfers require your authorization and may take various forms, such as:

- Direct deposits, such as employer payroll or government benefits;
- One-time or recurring charges to your account for bill payments;
- A “check conversion” transfer, where a merchant or other payee creates an electronic transfer from your paper check. The merchant may keep your check or return it to you.

We may offer new EFT services in the future.

TERMS AND CONDITIONS APPLICABLE TO ALL ELECTRONIC SERVICES

Our Business Days

Our business days are Monday through Friday, excluding federal holidays. Branch hours may be obtained on our website (www.tdecu.org) or by contacting us at (800) 839-1154.

Confidentiality

We will maintain the confidentiality and privacy of your account information in accordance with our privacy policy. Information about your account or the transfers you make will be disclosed to third parties:

- When it is necessary to complete an electronic transaction;
- In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
- In order to comply with a government agency, court order, or any legal process; or
- With your written permission.

Documentation of Transfers

Receipts. In most cases, you will receive a receipt at the time you make any transfer to or from your account using an ATM or when you make a purchase using a POS terminal. You should retain this receipt to compare with your statement from us. Federal law provides that for certain small dollar transactions at merchant locations, you may not receive a receipt.

Periodic Statements. We will provide a monthly periodic statement unless there are no EFTs in a particular month. In any case, we will send you a periodic statement at least quarterly unless we consider your account inactive.

Direct Deposits. If you have arranged to have direct deposits made to your account at least once every sixty (60) days from the same person or company, you can confirm you have received the deposit by reviewing your balance and recent transactions through www.tdecu.org, via mobile banking, by calling us at (800) 839-1154, or using our automated telephone banking system.

Personal Identification Numbers (PIN)

Generally, you cannot use your ATM card, Visa debit card, online banking and certain other electronic services we offer without login credentials, such as a username and/or password, which we collectively refer to as a PIN. You are responsible for protecting your PIN, and you should not disclose them to third parties or write them down. When you use your PIN, you authorize us to withdraw funds from your account to cover such transactions. You will notify us immediately and send written confirmation if your PIN is disclosed to anyone other than the joint owner of your account. You understand and agree that you must change the PIN immediately to prevent transactions on your account(s) if any unauthorized person gets access to the PIN. **If you disclose your PIN to anyone, however, you understand that you have given them access to your account(s) and you are responsible for any transactions that person authorizes or conducts on any of your accounts, even if that person exceeds your authority.** If you authorize anyone to use your PIN in any manner, that authority will be considered unlimited until you notify TDECU that transactions and access by that person are no longer authorized.

Your Liability for Unauthorized Transactions

You must tell us AT ONCE if you believe your Card and/or PIN for any electronic banking service has been lost or stolen or if you believe that an EFT has been made without your permission using information from your check. Calling us is the best way of keeping your possible losses down. You should send us a written notice following your telephone call. You could lose all the money in your account (plus, if you have an overdraft protection plan linked to your account, any transfers from another account or any advances on a Personal Line of Credit).

For transactions using a Visa debit card, if you promptly notify us of your lost or stolen card, you will not be liable for any losses, provided that you exercised reasonable care in safeguarding the Card against loss or theft. Otherwise, the following limits (applicable to all other transactions) will apply to transactions using the Card. For all other EFT transactions, if you tell us within two (2) business days after you learn of the loss or theft of your Card and/or PIN, you can lose no more than \$50 if someone used your Card and/or PIN to access your account without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your Card and/or PIN, and we can prove we could have stopped someone from using your Card and/or PIN without your permission if you had told us, you could lose as much as \$500.

Also, if your periodic statement shows EFTs that you did not make, including those made by Card, PIN or other means, you must tell us at once. If you do NOT tell us within sixty (60) days after the statement was mailed (or delivered electronically) to you, you may not get back any money you lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If you can document that a good reason (such as a long trip or hospital stay) kept you from telling us, we may extend the time period.

How to Notify TDECU in the Event of an Unauthorized Transaction

If you believe your Card and/or PIN have been lost or stolen or that someone will or may use it to transfer money from your account(s) without your permission, you must telephone us at (800) 839-1154. You can also write us at TDECU, Attn: Member Services, 2000 Post Oak Blvd., Ste. 2100, Houston, TX 77056-4493. You should also contact us if you believe a transfer has been made using the information from your check without your permission. If unauthorized activity occurs, you agree to cooperate during the investigation and to complete any forms required by TDECU.

In Case of Errors or Questions about your Electronic Funds Transfers

If you think your periodic statement is wrong, or if you need more information about a transaction listed on it, call us at (800) 839-1154, or write to us at TDECU, Attn: Member Services, 2000 Post Oak Blvd., Ste. 2100, Houston, TX 77056-4493, as soon as you can. We must hear from you no later than sixty (60) days after we sent you the FIRST periodic statement on which the problem or error appeared. You must:

- Tell us your name and account number;
- Describe the error or the transaction you are unsure about and explain, as clearly as you can, why you believe it is an error or why you need more information; and
- Tell us the dollar amount of the suspected error.

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

We will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days for the amount you think is in error so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account.

For errors involving new accounts, POS, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error. Your account is considered a "new account" for the first 30 days after the first deposit is made, unless you already have an established account with us before this account is opened.

We will tell you the results within three (3) 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. If we provisionally credited your account, we will reverse the provisional credit and notify you of the date we reversed the credit and the amount of the debit.

Our Liability for Failure to Make or Complete Electronic Fund Transfers

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

- Circumstances beyond our control (such as fire, flood, earthquake, electrical failure, malfunction of central data processing facility, etc.) prevent the transfer, despite reasonable precautions that we have taken;
- Through no fault of ours, you do not have enough money in your account to complete the transfer;
- The funds in your account are subject to an administrative hold, legal process, or other circumstances restricting such transfer or payment;
- We received incorrect or incomplete information from you or from third parties (e.g., the U.S. Treasury, an automated clearing house, or a terminal owner);
- The ATM or network system was not working properly and you knew about this breakdown when you started the transaction;
- The ATM where you were conducting the transaction did not have enough cash;
- Your Card(s) has been reported lost or stolen, has expired, is damaged so that the mechanical device cannot read the encoding strip or chip, is inactive due to non-use, is retained by us due to your misuse or suspected fraudulent activities, or is retained by us at your request;
- Any of your PINs have been repeatedly entered incorrectly;
- The transaction would exceed an unused line of credit (e.g., your Personal Line of Credit limit);
- Our failure to complete the transaction or the placement of a block on your account is done to protect the security of your account and/or the electronic terminal system; or
- Any transaction is prohibited by law, regulation, court order, or would be considered illegal activity,

We may establish other exceptions in addition to those listed above.

Provided that none of the above-stated exceptions apply, if we cause an incorrect amount of funds to be debited from your account, or caused funds from your account to be transferred to a person or entity which does not comply with your instructions, we will be responsible for returning the improperly transferred funds to your account and for directing to the proper recipient any previously misdirected bill payments or transfers.

Fees for Electronic Fund Transfers

Fees for all EFT services are disclosed in our *Fee Schedule*, which accompanies this Handbook and is incorporated herein by reference. TDECU reserves the right to increase or add new fees at a future date after we give you notice of such fees as required by law. In addition, when you use an ATM that is not owned by us, you may be subject to additional fees imposed by the ATM operator or ATM network used. The ATM operator or network may charge you a fee for a balance inquiry even if you do not complete a transaction.

Termination of Electronic Services

We reserve the right to terminate or suspend your access to electronic banking services at any time and for any reason. Electronic banking services may be suspended, without advance notice, if there are insufficient funds in any one of your accounts or if you are deemed to be a member not in good standing as defined in our *Member Conduct and Limitation of Services Policy*. After suspension, electronic banking services may be reinstated at our discretion once there are sufficient funds in your accounts to cover any fees and other transfers and debits.

You may discontinue use of any electronic banking service at any time. Cancellation by any one account owner will be binding on all account owners and we are not required to notify other account owners of the termination. Your cancellation or our termination of electronic banking services does not terminate your accounts or agreements with us and will not affect your obligations under this Handbook, or any account or other agreement you have with us or your obligations for transfers and payments made prior to cancellation or termination.

Illegal Transactions

You agree that you will comply with all applicable laws and regulations. You agree that you will not use your Card or any electronic banking service for any illegal activity or transaction. However, in the event that a transaction described in this paragraph is approved and processed, you will still be responsible for such charges.

DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITY

YOU UNDERSTAND AND AGREE THAT THE ELECTRONIC BANKING SERVICES ARE PROVIDED “AS-IS.” YOU UNDERSTAND AND AGREE THAT USE OF THE ELECTRONIC BANKING SERVICES IS AT YOUR SOLE RISK.

EXCEPT AS EXPRESSLY SET FORTH IN THIS HANDBOOK, WE DISCLAIM ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF INTELLECTUAL PROPERTY OR THIRD PARTY RIGHTS, AND WE MAKE NO WARRANTY OR REPRESENTATION REGARDING THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE ELECTRONIC SERVICES, OR THE ACCURACY OR RELIABILITY OF ANY INFORMATION OBTAINED THROUGH THE ELECTRONIC SERVICES.

EXCEPT AS DESCRIBED IN THIS HANDBOOK, WE WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND RESULTING FROM YOUR USE OF, OR YOUR INABILITY TO USE, THE ELECTRONIC SERVICES, ANY INACCURACY OF ANY INFORMATION, OR ANY BREACH OF SECURITY CAUSED BY A THIRD PARTY.

IMPORTANT DISCLOSURES APPLICABLE TO VISA DEBIT CARDS AND ATM CARDS

In this section, “Card” refers to your TDECU Visa Debit Card or ATM Card, unless otherwise noted. The disclosures in this section apply to the use of your Card to conduct EFTs, including, but not limited to, use of the Card at ATMs and POS terminals. When you use your Card at ATMs and participating POS terminals, you authorize us to make withdrawals from your designated account for cash advances and/or purchases.

Account Access

You may use your Card to withdraw cash from your checking account by way of a cash advance from merchants, financial institutions, or others who honor the Card and/or to pay for purchases. However, we are not responsible for the refusal or inability of any ATM or POS terminal, merchant, or financial institution to honor the Card or to complete a transaction.

Ownership of the Card

The Visa Debit Card is TDECU property and you agree to surrender it to us upon demand.

We may cancel or restrict the use of any Card if:

- Any of your accounts are overdrawn;
- Any loan/credit obligations are past due, regardless of grace period;
- You use your Card in a manner which may cause a loss to us;
- Any mail sent to your address is returned to us as undeliverable;
- Any email sent to you by us is returned as undeliverable;
- We are aware that you have violated any term of this Handbook, whether or not we suffer a loss; or
- Where necessary to maintain or restore the security of your account(s) or the POS system.

We also reserve the right to recall the Card through retrieval by any of the ATMs.

You may cancel your Card at any time by calling us or visiting any TDECU branch.

Limitations on Frequency and Dollar Amount of Transactions

To protect your balance, we place daily dollar limits and transaction limits on ATM withdrawals and Card purchases, even if your available balance is higher than the daily limit. However, we may:

- Allow transactions that exceed your limits.
- Temporarily reduce your limits without notice, for security purposes.
- Change your limits (we will notify you if we do).

The following limits apply:

1. **ATM Transactions.** Provided you have sufficient available funds in your account, you may use your Card to withdraw up to \$1,000 each twenty-four (24) hour period. Minimum withdrawal amounts and increment amounts may vary depending on the network or ATM you access. For example, the minimum withdrawal and increment amount is generally \$20.

2. **POS Transactions.** Provided you have sufficient available funds in your account, you may use your Visa Debit Card at a POS terminal at any business establishment where the Visa Debit Card is accepted for purchases up to \$5,000 each twenty-four (24) hour period.

ATM and POS terminal owners, merchants and retailers may restrict cash withdrawals and purchases to lower limits and charge fees. You agree to follow the instructions posted or otherwise given by us or any ATM network or POS terminal concerning use of the machine/terminal.

Authorization Holds for Visa Debit Card Transactions

For information regarding how debit card authorization holds impact your available account balance, refer to the part of this Handbook entitled *Overdraft Protection Programs*.

Overdrafts

Unless you opt-in, we generally will not authorize an ATM transaction or an everyday non-recurring debit card transaction if your available balance is insufficient to pay for the transaction, and we will not charge an NSF Fee.

You can authorize us to link your Visa Debit Card to an overdraft protection source, such as a savings account or Personal Line of Credit to fund any overdrafts on your checking account. Refer to the part of this Handbook entitled *Overdraft Protection Programs* for additional information regarding our overdraft protection plans.

Our Right to Refuse Card Transactions

We reserve the right to refuse to authorize any transaction when your Card has been reported lost or stolen or when we reasonably believe there may be fraudulent, suspicious or illegal activity.

ATM Safety

You agree to use caution at all times when using an ATM. Some precautions you can take are:

- Avoid ATMs that are obstructed from view or unlit at night.
- Observe the area for anything unusual or suspicious.
- When possible, bring a companion along, especially at night.
- Lock your vehicle when you leave it.
- Have your Card in your hand as you approach the ATM and avoid reaching in your wallet or purse in front of the ATM.
- Avoid counting your cash at the ATM.
- When using a drive-up ATM, lock the doors, roll up all but the driver's window, and keep the engine running.
- Prevent others from seeing you enter your PIN by using your body to shield their view.
- Do not accept assistance from anyone you do not know when using an ATM.

We want ATMs to be safe and convenient for you. Tell us if you know of any problem with the facility. For example, let us know if a light is not working or there is any damage to the facility. If you feel unsafe for any reason, you should leave the area immediately. If someone follows you after using the ATM, you should quickly go to a safe area that is well populated and well lit. You should report any incident to both the operator of the facility and to the police as soon as possible.

Returns and Adjustments

Any refund to you by a merchant or seller of goods or services may be made on a credit voucher signed by you and submitted to us by the merchant or seller, or you may receive a cash refund. If a refund is made by credit voucher, the amount of your credit will be reflected on your periodic statement.

Foreign Transactions (Visa Debit Card)

Purchases and cash advances processed outside of the United States or in a foreign currency will be billed to your account in U.S. dollars. The conversion to U.S. dollars will be made in accordance with Visa's operating regulations for international transactions. In the event that an international transaction is converted to U.S. dollars, the exchange rate between the transaction currency and the billing currency used for processing international transactions will be: (1) 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 (2) the government-mandated rate in effect for the applicable central processing date. The processing date on which the exchange rate is applied may differ from the date you used your debit card. When a credit to the account does not fully offset a charge to the account due to changes in the rate, you are responsible for the difference. At this time, we do not charge a Foreign Transaction Fee for debit card transactions settled outside the U.S. but we reserve the right to implement this fee in the future.

Card Claims and Transaction Questions

When you authorize other parties to debit your checking account, you are responsible for these transactions. This means that you will have to contact these parties directly if you have questions or complaints about your transactions. Any claims concerning goods or services purchased with your Card must be resolved by you directly with the merchant or seller who accepted the Card. You understand that we will not be able to help you because we only have the information received from the third party. Any claim or defense that you assert will not relieve you of your obligation to pay us the total amount of the transaction, unless otherwise permitted by law. You cannot stop payment on any purchase you made using your Card.

PREAUTHORIZED PAYMENT TRANSFERS

You may use your account to make preauthorized payments to third parties. Preauthorized payments may be made from your checking or savings account.

Notice of Varying Amounts

If your preauthorized payment may vary in amount, the person you are going to pay is required to tell you the amount and date of the next payment at least ten (10) days before the payment due date. You may choose instead to receive 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.

Initial Authorization

You can get copies of the preauthorized payment documentation from the payee at the time you give them the initial authorization.

Periodic Statement

You will receive a monthly statement for each month in which a transfer is made, but at least quarterly if no transfers are made.

Right to Stop Preauthorized Payments

You can place a stop payment on a preauthorized payment by calling us at (800) 839-1154 or writing to us at TDECU, 2000 Post Oak Blvd., Ste. 2100, Houston, TX 77056-4493 at least three (3) business days or more before the next payment from your account 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 fourteen (14) days after you call or the stop payment order will not be binding. An oral request to stop payment will not be binding on us after fourteen (14) days if you have not provided us with any required written confirmation of your request. You may cancel your authorization for any payee to originate preauthorized transfers from your account by giving us written notification on a form we provide to you. Keep in mind that a stop payment request will apply only to that particular payment. If you want to cancel the entire preauthorized payment authorization, you understand and agree that you must also contact the payee in writing to cancel the entire preauthorized payment authorization. Your revocation will become binding on us once three (3) business days have elapsed from the date of your written revocation and we have received a copy of your written notice to the payee that your authorization has been revoked. We will charge you a fee for each stop payment order you give as set forth in our *Fee Schedule*.

Our Liability for Failure to Stop Payment

If you order us to stop one of your preauthorized payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages, to the extent provided by law.

Fees

If your account does not have sufficient funds to pay a preauthorized payment, the request will be returned to the third-party payee and your account will be charged an NSF Fee as stated in our *Fee Schedule*.

ELECTRONIC CHECK TRANSACTIONS

If you pay for something by check and the merchant or other payee permits, you may authorize the merchant or payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or to pay bills. You may also authorize a merchant or payee to electronically debit your checking account for returned check fees. You are deemed to have authorized these transfers if you sign an authorization or if you engage in the transaction after receiving notice that the transfer will be treated as an EFT. Please note that when these items clear, they may not appear in the section of the periodic statement reserved for checks cleared, but may appear in the debit section of your periodic statement.

PART 9: MEMBER CONDUCT AND LIMITATION OF SERVICES POLICY

Purpose

TDECU's good reputation is due in large part to the loyalty, commitment and ongoing efforts of its employees, volunteers and members. TDECU is committed to treating its employees, volunteers and members with respect and is committed to maintaining a work place free from unacceptable conduct from any source. To this end, the privilege of TDECU products and services available to members must be reserved for members who are in "good standing." This *Member Conduct and Limitation of Services Policy* ("Policy") outlines your responsibilities as a member of TDECU and our rights to restrict accounts, products or services when you fail to meet your responsibilities. Specific agreements and disclosures also govern your membership, accounts, loans and services and are not amended or limited by this Policy. We encourage you to refer to the specific agreements and disclosures for additional details. We will provide copies of those agreements and disclosures upon your request.

In the event that you are deemed to be a member not in good standing, TDECU is authorized to limit your access to member services.

This Policy applies to any member not in good standing who seeks member services, including any joint account owner.

Member Responsibilities

As a member-owned cooperative, all TDECU members have obligations to TDECU and to other members. In addition to complying with the requirements of any agreements, you are also responsible for fulfilling all promises you have made to TDECU.

Fundamental Rights

As a member, you have two fundamental rights: (1) to maintain a savings account and earn interest on the account; and (2) to vote in annual and special meetings.

Restrictions on Accounts or Services

As a general policy, accounts and services are available to members in good standing. However, TDECU reserves the right to restrict accounts or services when we determine, in our sole discretion, that the restriction is necessary or appropriate to protect our employees, volunteers and members. For example, the following actions could lead to a restriction of accounts or services:

- You are delinquent or default on a loan or other obligation to TDECU;
- You have excessive overdrafts, returned unpaid items, or returned payments or deposits;
- You cause a financial loss to TDECU, regardless of whether through a loan, account, product or service;
- You engage in abusive conduct* toward TDECU employees, volunteers, other members or third-party agents or otherwise injure any person or damage any property (or threaten to injure any person or damage any property) while on TDECU premises or at any TDECU function;
- You attempt to conduct illegal or fraudulent transactions or attempt to circumvent TDECU policies or procedures;
- You are negligent in protecting your checks, cards, PIN, password, or other account authorization information; or
- You engage in other actions or inaction that TDECU deems suspicious or inappropriate and for which a restriction is appropriate to prevent actual harm or financial loss to TDECU and our members.

*Abusive conduct includes, but is not limited to, the following behaviors: any type of harassment; use of profane, demeaning, intimidating or threatening language; uncivil conduct; actual or implied threats of bodily harm or property damage; vandalism or unauthorized removal of TDECU property or signage; conducting or attempting to conduct or engage in any fraudulent activity of any kind involving TDECU services or employees; or actual or attempted coercion or interference with TDECU employees, volunteers or members in the performance of their duties at any time.

Possible Account or Service Restrictions

TDECU reserves the right to restrict accounts or services, including but not limited to:

- Denying access to TDECU premises or utilizing TDECU property;
- Restricting services which involve direct contact with TDECU employees, either in person, via telephone, or through electronic means;
- Restricting your use of optional services, including but not limited to: Courtesy Pay, Skip-a-Pay, or other programs;
- Restricting your use of online banking or mobile banking systems;
- Freezing your account, limiting account access to, or closing your account;
- Restricting your ability to use your ATM or debit card;
- Reducing your credit limit or closing a line of credit (including credit cards);
- Restricting your ability to cash checks drawn on another TDECU member's account or requiring such checks be deposited into your account;
- Preventing you from being a joint owner on another member's accounts or acting as an agent for another member; or
- Otherwise restrict accounts or services, except that we will not restrict your Fundamental Rights.

In addition to the above, we may take any other action deemed appropriate under the circumstances that is not prohibited by the Texas Credit Union Law, NCUA Rules and Regulations, TDECU's Bylaws or other applicable federal or state law. You acknowledge and agree that any threats of bodily harm or any other illegal activity against any TDECU employee, volunteer or other member will be reported to appropriate federal, state and/or local authorities.

In the case of repeated abusive behavior or an extremely abusive incident, you acknowledge and agree that you may be subject to expulsion from TDECU at a special meeting of the members or at the next annual meeting of the membership.

These limitations will not prohibit you from exercising your rights under federal or state law or regulation.

Notice of Restriction

Unless required by law, we are not obligated to provide you advance notice of our restriction of your accounts or services. We may provide reasonable notice depending on the circumstances; we encourage you to closely review the communications we send to you regarding your accounts or services.

Reporting Information to Credit Reporting Agencies

TDECU may report information about your accounts or loans to credit reporting agencies. Late payments, missed payments, returned payments, overdrafts, defaults, or other negative information on your accounts or loans may be reported. You have the right to dispute the information that we have provided to credit reporting agencies if you believe it is inaccurate or incomplete.

No Modification or Amendment

This Policy does not modify, amend or otherwise limit any of your responsibilities or TDECU's rights under any agreement, disclosure or policy. Rather, this Policy is intended to further inform you about your responsibilities and rights as well as TDECU's ability to restrict accounts or services if you are not meeting your responsibilities or fail to act as a member in good standing of TDECU.

PART 10: WIRE TRANSFER AGREEMENT

General

The following terms and conditions apply whenever you request a wire transfer to or from your savings or checking account with us based on your written request. We will provide Wire Transfer services as a means to initiate domestic or international transfers for you, subject to the terms and conditions in this Wire Transfer Agreement.

You acknowledge that any incoming or outgoing wire transfer executed by TDECU will be subject to the rules and regulations applicable to payment orders. We are authorized to debit your account for the payment of wire transfer requests. If more than one account is designated, we may charge any of the designated accounts unless you give us specific written instructions otherwise. Your transfer requests may involve the transfer of funds from any of your designated accounts with us to another account you have with us, to any other financial institution, or to a third party or account of a third party maintained with us or with any other financial institution.

Wire transfers made from or to your account are processed through the Federal Reserve Board's Fed wire. Wire transactions are governed by Regulation J, which determines the rights and liabilities of the parties of the transfer.

Fees

We may charge fees for sending or receiving a wire transfer. We may deduct our fees from your account or from the amount of the transfer. Other financial institutions involved in the wire transfer may also charge fees. Please refer to our current *Fee Schedule* for more information.

Cut-off Times for Wire Transfers

TDECU may establish or change cut-off times for the receipt and processing of wire transfers. Unless other times are posted, the cut-off time for domestic and international wire transfers will be 3p.m. Central time on each business day that TDECU is open which is not a federal holiday. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next following business day and processed accordingly.

Debiting your Account for Wire Transfers

We may charge your account for the amount of any wire transfer initiated by you or by any person authorized by you as a joint account owner or other authorized party with the right of access to the account from which the wire transfer is to be made.

Amending or Canceling Wire Transfers

You may not amend or cancel a wire transfer after we receive it. If you ask us to do this, we may make a reasonable effort to act on your request, but we are not liable to you if, for any reason, a wire transfer request is not amended or canceled. You agree to reimburse us for any costs, losses or damages that we incur in connection with your request to amend or cancel a wire transfer.

Security Procedures

TDECU may establish, from time to time, security procedures to verify the authenticity of a wire transfer. You understand and agree that TDECU may amend the security procedure(s). You will be notified of the security procedure, if any, to be used to verify wire transfers requested by you or for which your account will be liable. You agree that the authenticity of wire transfers may be verified using the security procedure(s) unless you notify TDECU in writing that you do not agree to the security procedure(s). In that event, we will have no obligation to accept any wire transfer request from you until you and we agree, in writing, on an alternative security procedure. Provided we comply with security procedure(s), you will be liable for payment of the transferred amount plus transfer fees, even if the transfer request was not actually transmitted or authorized by you.

Your Liability for Incorrect Information

You must accurately identify the beneficiary of the wire transfer. If you give TDECU a wire transfer request that identifies the beneficiary by both name and identifying account number, payment may be made by the beneficiary's financial institution on the basis of the identifying account number, even if the number identifies a person different than the named beneficiary. This means that you will be responsible to us if the wire transfer is completed on the basis of the identifying account number you provided to us. Incorrect or incomplete wire transfer forms may delay the processing of your wire transfer request.

Notice of Rejection

If we receive notice that a wire transfer transmitted by us has been rejected, we will notify you of such rejection by telephone, electronic message, or U.S. mail, including the reason given for rejection. We will have no further obligation to transmit the rejected wire transfer if it complied with this agreement with respect to the original transfer request. Please note that we may also wire transfers sent to your account.

No Liability

TDECU will not be liable for acts or omissions by you or any other person including, without limitation, any funds transfer system, any Federal Reserve Bank, any beneficiary's financial institution, and any beneficiary, none of which will be deemed our agent.

Paying Interest

If we become obligated under applicable law to pay interest to you, you agree that the rate of interest to be paid will be equal to the interest rate, on a daily basis, applicable to the account at TDECU to which the wire transfer should have been made or from which the wire transfer was made.

Unauthorized or Erroneous Wire Transfers

You agree to notify TDECU of any unauthorized or erroneous wire transfer within thirty (30) days from the date you first received notification from TDECU and that the wire transfer was accepted.

Notice of Wire Transfers

You will not be provided with separate notification each time we receive or send a wire transfer to your account. Notification of the wire transfer transaction will appear on your periodic statement.

Our Right to Reject Wire Transfer Requests

We may, in our sole discretion, reject any wire transfer request which (1) exceeds the available balance in your designated account(s); (2) is not authenticated to our satisfaction or which we reasonably believe may not be authorized by you; (3) contains incorrect, incomplete, or ambiguous information; (4) involves funds subject to a lien, hold, dispute or legal process pending their withdrawal; or (5) involves a transfer that is prohibited under applicable law, rule, or regulation. You understand and agree that we will incur no liability for any loss incurred by our refusal to accept any wire transfer order.

Wire Transfers to a Foreign Country

If you initiate a wire transfer request denominated in United States dollars for transfer to a foreign country, we may transfer payment in the currency of the beneficiary financial institution's country at our buying rate of exchange to United States dollars. If the transfer is returned for any reason, you agree to accept the refund in United States dollars in the amount of the foreign money credit, based on the then-current buying rate of the financial institution converting the currency to United States dollars at the date of refund, less any charges and expenses we incur.

Limitation of TDECU's Liability

Except as expressly prohibited by applicable law, you understand and agree that TDECU will not be liable for any loss or liability arising from: (1) any unauthorized transfer or interest thereon (including, but not limited to, fraudulent transfers and/or a transfer which we failed to abide by the agreed upon security procedures) which you fail to report to us within thirty (30) days after your receipt of notification of the transfer; (2) any negligent or intentional action or inaction on the part of any person not within our reasonable control, including, but not limited to, the failure of other financial institutions to provide accurate or timely information; (3) the failure of other financial institutions to accept a wire transfer order; (4) your negligent or intentional action or inaction and/or breach of these terms and conditions; (5) any ambiguity or inaccuracy in any instruction given to us by you; or (6) any error, failure or delay in execution of any wire transfer instruction, or cancellation or amendment caused by circumstances beyond our reasonable control, including, but not limited to, any computer or communication facilities malfunction. Except as otherwise provided by applicable law, our liability for any negligent or intentional action or inaction in connection with any wire transfer request will be limited to your direct loss and payment of interest. UNDER NO CIRCUMSTANCES WILL TDECU BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, INDIRECT, PUNITIVE OR SPECIAL DAMAGES WHICH YOU MAY SUFFER IN CONNECTION WITH ANY WIRE TRANSFER REQUEST.

TDECU®

YOUR CREDIT UNION

November 2025

FACTS	WHAT DOES TEXAS DOW EMPLOYEES CREDIT UNION (TDECU) AND ITS AFFILIATES DO WITH YOUR PERSONAL INFORMATION?	
Why?	<p>Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.</p>	
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security Number & Income • Credit History & Credit Scores • IP Address, Use of Our Website/Online Services • Images, videos, documents, and files • Areas of Interest & Location • Transaction & Payment History • Account Transactions/Balances/Information • Mobile Device Contacts List <p>When you are <i>no longer</i> our member, we continue to share your information as described in this notice.</p>	
How?	<p>All financial companies need to share members' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their members' personal information; the reasons TDECU and its affiliates choose to share; and whether you can limit this sharing.</p>	
Reasons we can share your personal information	Do TDECU and its affiliates share?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes - to offer our products and services to you	Yes	Yes
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes - information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes - information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share
Questions?	Call toll-free 800-839-1154 or go to https://www.tdecu.org/privacy-notice	

Who We Are	
Who is providing this notice?	TDECU and its affiliates means Texas Dow Employees Credit Union and TDECU Insurance Agency.
What We Do	
How do TDECU and its affiliates protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We also maintain other physical, electronic, and procedural safeguards to protect this information and limit access to information to those employees for whom access is appropriate.</p>
How do TDECU and its affiliates collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • Open an account • Apply for a loan • Make deposits/withdrawals from your account • Pay your bills • Use your debit/credit card <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • sharing for affiliates' everyday business purposes - information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> • <i>TDECU and its affiliate, TDECU Insurance Agency</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> • <i>TDECU and its affiliates do not share with nonaffiliates so they can market to you.</i>
Joint Marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • <i>Our joint marketing partners include insurance companies and marketing firms.</i>
Other Important Information	
<p>COMPLAINT NOTICE: If you have a problem with the services provided by this credit union, please contact us at: TDECU, 2000 Post Oak Blvd., Ste. 2100, Houston, TX 77056-4493; phone 800-839-1154; or email complaints@tdecu.org.</p> <p>This credit union is incorporated under the laws of the State of Texas and under state law is subject to regulatory oversight by the Texas Credit Union Department (TCUD). If any dispute is not resolved to your satisfaction, you may also file a complaint against the credit union by contacting TCUD through one of the means indicated below:</p> <p>In person or US Mail: Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699 Phone: 512-837-9236 or Fax 512-832-0278 Email: complaints@cud.texas.gov Website: www.cud.texas.gov</p>	

Fee Schedule

(as of August 1, 2025)

The following fees may be assessed against your account and are subject to change.

Account Fees	
Account Balancing Assistance	\$25.00 per hour
Account History Printout	\$5.00 each
Account Research	\$25.00 per hour
Check/Draft Copy	\$3.00 each
Courtesy Pay*	\$32.00 each occurrence
Debit Card Reorder	\$5.00 each
Money Order	\$3.00 each
Official Checks	\$3.00 each
Statement Copy	\$5.00 per statement
Stop Payment (Check, ACH, Debit)	\$28.00 each
Temporary Check	\$1.00 per page
Wire Transfer Outgoing (Domestic)	\$15.00 each (online) \$20.00 each (in branch or by phone)
Wire Transfer Outgoing (Foreign)	\$45.00 each
Maintenance Fees	
Money Market Maintenance (assessed if account balance falls below minimum requirement at any time during the month)	\$10.00 per month
Restart Checking Maintenance	\$10.00 per month
Value Plus Checking Account Requirement (waived if balance is greater than \$5,000, or a direct deposit of \$1,000 or more is posted to account monthly)	\$8.00 per month
Penalty Fees	
ACH Returned Item	\$32.00 per presentment
Certificate of Deposit Early Withdrawal Penalty (applies to the amount withdrawn)	Maturity of 3-12 Months: 90 days interest Maturity of 13-24 Months: 180 days interest Maturity of 25-36 Months: 270 days interest Maturity > 36 Months: 365 days interest
Non-Sufficient Funds/NSF (Check, Debit Card & ATM Card)	\$32.00 per presentment
Returned Check	\$32.00 per presentment
Uncollected Funds	\$32.00 per presentment
Non-Member Fees	
Check Cashing	Checks less than \$100: \$5.00 each Checks \$101 to \$5,000: \$10.00 each Checks greater than \$5,000: \$7.00 each (after verification of funds & issuance of Official Check)

* Fee applies when the overdraft is created by check, in-person, withdrawal, ATM withdrawal, or other electronic means. We pay overdrafts at our discretion and do not guarantee we will always authorize and pay any type of transaction. All overdrafts must be repaid within 30 days. An "item" takes into consideration a debit, a credit, or items in a deposit.

TDECU
YOUR CREDIT UNION

TEXAS DOW EMPLOYEES CREDIT UNION (TDECU)

TRUTH-IN-SAVINGS DISCLOSURE

EFFECTIVE: January 16, 2026

RATE SCHEDULE										
ACCOUNT TYPE	TIERS	INTEREST INFORMATION			BALANCE REQUIREMENTS				ACCOUNT REQUIREMENTS	
		Interest Rate/Annual Percentage Yield (APY)	Interest Compounded	Interest Credited	Interest Period	Minimum Deposit to Open	Minimum Balance to Avoid Service Fee	Minimum Balance to Earn Stated APY	Balance Method to Calculate Interest	
Regular Savings, Youth/Teen Savings	N/A	0.10% / 0.10%	Monthly	Monthly	Monthly (Calendar)	\$5.00	N/A	\$0.00	Daily Balance	Minimum \$5 Share for Membership
Studio 55+	N/A	0.10% / 0.10	Monthly	Monthly	Monthly (Calendar)	\$50.00	N/A	\$0.00	Daily Balance	Minimum \$50 Share for Membership
Club Savings	N/A	0.10% / 0.10%	Monthly	Monthly	Monthly (Calendar)	\$1.00	N/A	\$0.00	Daily Balance	N/A
Non-Interest Bearing Savings	N/A	0.00% / 0.00%	N/A	N/A	N/A	\$5.00	N/A	N/A	N/A	Minimum \$5 Share for Membership
Primary Savings Linked to High Yield Checking	\$0.00 - \$50,000.00	0.99% / 1.00%	Monthly	Monthly	Monthly (Calendar)	\$5.00	N/A	\$0.00	Daily Balance	All High Yield Checking will be automatically linked to the primary savings account. If requirements are met for High Yield Checking, the primary savings account will earn the stated APY. See Member Handbook.
	\$50,000.01 and up	0.25% / 0.25%	Monthly	Monthly	Monthly (Calendar)	\$5.00	N/A	\$50,000.01	Daily Balance	
	Requirements not met	0.10% / 0.10%	Monthly	Monthly	Monthly (Calendar)	\$5.00	\$0.00	\$0.00	Daily Balance	
Free Checking Teen Checking	N/A	0.02% / 0.02%	Monthly	Monthly	Monthly (Calendar)	\$1.00	N/A	\$0.00	Daily Balance	Free Checking for members 18 and older Teen Checking for members 13-17
Restart Checking	N/A	0.00% / 0.00%	N/A	N/A	N/A	\$1.00	See Account Requirements	N/A	N/A	All accounts incur a monthly maintenance fee. See Fee Schedule. Upon member request, account may be eligible for Mobile Check Deposit and upgrade to other type of checking account after 12 months if in good standing. <i>This Account Type is no longer offered as of December 10, 2025.</i>
Non-Interest Bearing Checking	N/A	0.00% / 0.00%	N/A	N/A	N/A	\$1.00	N/A	N/A	N/A	N/A
Money Market Checking	\$0.00 - \$2,499.99	0.02% / 0.02%	Monthly	Monthly	Monthly (Calendar)	\$2,500.00	\$2,500.00	See Tiers	Daily Balance	\$2,500 Minimum Required to Avoid Service Fee
	\$2,500.00 - \$24,999.99	0.19% / 0.20%								
	\$25,000.00 - \$99,999.99	0.29% / 0.30%								
	\$100,000.00 - \$249,999.99	0.39% / 0.40%								
	\$250,000.00 and up	0.69% / 0.70%								
Exclusive Member Checking	\$0.00 - \$4,999.99	See Website	Monthly	Monthly	Monthly (Calendar)	\$5,000.00	N/A	See Tiers	Daily Balance	Rate/APY is based on the Federal Funds Rate and may change monthly. Account is not eligible for overdraft protection. Additional share insurance coverage is provided by Excess Share Insurance Corporation, a licensed insurance company.
	\$5,000.00 - \$19,999.99	See Website								
	\$20,000.00 - \$49,999.99	See Website								
	\$50,000.00 - \$74,999.99	See Website								
	\$75,000.00 - \$99,999.99	See Website								
Forward Checking	\$100,000.00 and up	See Website	Monthly	Monthly	Monthly (Calendar)	N/A	See Account Requirements	See Tiers	Daily Balance	Must enroll in eDocuments; enable Mobile Check Deposit; transact 6 debit card transactions or a recurring ACH deposit monthly; and no more than 2 Member Center/Member. Care assists monthly. <i>This Account Type is no longer offered and all existing accounts will be sunset after September 30, 2025.</i>
	\$0.00 - \$29,999.99	0.40% / 0.40%								
	\$30,000.00 and up	0.02% / 0.02%								
High Yield Checking	\$0.00 - \$20,000.00	2.47% / 2.50%	Monthly	Monthly	Monthly (Calendar)	\$1.00	\$0.00	See Tiers	Daily Balance	Must enroll in eDocuments, maintain direct deposits totaling \$500 or more monthly, and at least 10 debit card transactions (\$1 or more) per month. If requirements are met, both checking and savings accounts will earn stated APY. If requirements are not met, both accounts will earn lowest APY. When account is closed, both checking and savings accounts will earn lowest APY for entire month. Account will receive up to \$30 in ATM fee rebates per month.
	\$20,000.01 and up	0.25% / 0.25%								
	Requirements not met	0.02% / 0.02%								
Value Plus Checking	\$0.00 - \$50,000.00	3.00% / 3.00	Monthly	Monthly	Monthly (Calendar)	\$50.00	See Account Requirements	See Tiers	Daily Balance	Must maintain a minimum balance of \$5,000 or set up and maintain a direct deposit of \$1,000 or more per month to avoid service fee. <i>See Fee Schedule.</i> Account will receive up to \$30 in ATM fee rebates per month.
	\$50,000.01 and up	0.25% / 0.25%								
IRA Money Market	\$0.00 - \$2,499.99	0.10% / 0.10%	Monthly	Monthly	Monthly (Calendar)	\$2,500.00	\$2,500.00	See Tiers	Daily Balance	\$2,500 Minimum Required to Avoid Service Fee
	\$2,500.00 - \$24,999.99	0.19% / 0.20%								
	\$25,000.00 - \$99,999.99	0.29% / 0.30%								
	\$100,000.00 - \$249,999.99	0.39% / 0.40%								
	\$250,000.00 and up	0.69% / 0.70%								

RATE INFORMATION: Interest Rate and Annual Percentage Yield (APY) on all accounts are set forth in the Rate Schedule. Interest Rate and APY may change at any time, as determined by the TDECU Board of Directors. APY is a percentage rate reflecting the total amount of interest paid on an account based on the interest rate and frequency of compounding. Interest Rate and APY are the rate and yield as of the last Interest Declaration Date which is set forth in the Rate Schedule. Money Market, Exclusive Member, Forward, High Yield, and Value Plus checking accounts are tiered rate accounts as set forth in the Rate Schedule.

NATURE OF INTEREST: Interest is paid from current income and available earnings after required transfers to reserves at the end of the interest period.

INTEREST COMPOUNDING AND CREDITING: Interest will be compounded and credit monthly as of the last day of the month to each account as set forth in the Rate Schedule. The interest period begins on the first calendar day of the month and ends on the last calendar day of the month.

ACCRUAL OF INTEREST: Interest will begin to accrue on cash deposits on the business day the deposit is made to the account. Interest will begin to accrue on non-cash items (such as checks) on the business day the deposit is made to the account.

BALANCE INFORMATION: To open an account, an amount equal to at least one share (\$5.00) must be deposited to the savings account as a condition of admission to membership. The minimum balance required to open each account is set forth in the Rate Schedule.

Certain accounts must maintain a minimum balance to avoid a service fee. During the month, if an account balance falls below the required minimum amount or other account requirements are not met, the account will be subject to a monthly service fee.

NOTICE OF WITHDRAWALS: TDECU may require written notice of your intent to withdraw funds from an account with at least seven (7) calendar days and up to sixty (60) days before the time you would like to withdraw. This does not apply to checking accounts.

RATES: The rates provided with or in the Rate Schedule are accurate as of the effective date indicated on this Truth-in-Savings Disclosure. If you have any questions or require current rate information on your accounts, please call us at 800-839-1154.

FEES: See separate Fee Schedule for a listing of fees applicable to your accounts.

NCUA SHARE INSURANCE FUND: Funds are federally insured to at least \$250,000 by the National Credit Union Administration (NCUA), a United States Government Agency, and backed by the full faith and credit of the United States Government.