

ELECTRONIC SERVICES AGREEMENT AND DISCLOSURE

THIS IS YOUR ELECTRONIC SERVICES AGREEMENT AND DISCLOSURE. IT INCLUDES NECESSARY FEDERAL STATEMENTS AS REQUIRED BY THE ELECTRONIC FUND TRANSFER ACT (15 U.S.C. SECTION 1693 ET SEQ) AND REGULATION E (12 CFR 205 ET SEQ) AND ANY SPECIAL INSTRUCTIONS REGARDING THE USE OF YOUR AUTOMATED TELLER MACHINE CARD ("ATM CARD") AND CHECK CARD ("CHECK CARD"), OUR AUDIO RESPONSE SYSTEM ("PHONE BANKING") AND PERSONAL COMPUTER ACCOUNT ACCESS SYSTEM ("INTERNET BANKING"), EACH WITH THEIR CORRESPONDING PERSONAL IDENTIFICATION NUMBER (PIN) OR ACCESS CODE AND ANY CHECKS YOU AUTHORIZE TO BE PROCESSED ELECTRONICALLY ("E-CHECKING").

Throughout this Electronic Services Agreement and Disclosure, the references to "We," "Us," "Our" and "Credit Union" mean UNIVERSITY FEDERAL CREDIT UNION. The words "You" and "Your" mean each person applying for and/or using any of the services described herein. "Account" means any account or accounts established for You as set forth in this Agreement and Disclosures and Account Agreement documents which have been furnished to You separately. The word "Card" means any ATM or Check Card issued to You by Us and any duplicates or renewals We may issue. Our Audio Response System is hereinafter referred to as "Phone Banking," whereas Our Personal Computer Account Access System is hereinafter referred to as "Internet Banking." "E-Checking" means any check which You authorize the payee to process electronically. For joint accounts, read singular pronouns in the plural.

ATM CARD, CHECK CARD, PHONE BANKING, INTERNET BANKING AND E-CHECKING AGREEMENT. This Agreement applies to any electronic fund transfer made to or from Your Account(s) by You or by any user who has access to Your Account with actual, apparent or implied authority for use of Your Account. Electronic fund transfers to and from Your Account can be made through the use of, but may not be limited to the following: (a) Your Card in Automated Teller Machines (ATMs) or at any place that it is honored including those transactions made through the use of the appropriate PIN in conjunction with Your Card; (b) Our Phone Banking Audio Response system; (c) Our Internet Banking Personal Computer Account Access System; and (d) any check which You authorize the payee to process electronically. An electronic fund transfer is any transfer of funds which is performed through the use of Your Card, Our Phone Banking Audio Response System, Our Internet Banking Personal Computer Account Access System, E-Checking or other electronic device.

You understand that Your Card and any Personal Identification Numbers (PINs) or Access Codes are issued by Us and are not transferable. The use of Your Card, PIN and/or any other Account access device is subject to the following terms. You agree: (a) to abide by Our rules and regulations as amended related to the use of Your Card, PIN and/or other Account access device; (b) that We may follow all instructions given to Machines; (c) not to use Your Card for illegal transactions including, but not limited to, advances made for the purpose of gambling and/or wagering where such practices are in violation of applicable state and/or federal law; and (d) that each withdrawal by You or by any authorized user of Your Card or PIN may be charged to Your Money Market, Savings or Checking Account, as appropriate, and will be treated as though it were a share withdrawal except that: (1) We may charge withdrawals to Your Savings Account in any order We determine; and (2) We cannot honor stop payment requests on ATM and POS withdrawals. For security reasons, there are limits on the number of transfers You can make using Our ATM Card and Check Card services.

We may, but are under no obligation to do so, process an Electronic Fund Transfer that exceeds the balance in Your Account. In the event that any such transfer occurs, You agree to immediately pay Us the overdrawn amount plus any associated fees and charges.

JOINT ACCOUNTS. If this is a joint Account, You agree to be jointly and severally liable, under the terms of this Agreement. You understand that any Account access device that is requested and approved will be mailed only to the primary accountholder at the address that We have for You on file. We may refuse to follow any instructions which run counter to this provision.

DELAYED FUNDS AVAILABILITY NOTICE. Subject to Our Delayed Funds Availability Policy, deposits made at University Federal Credit Union locations may not be posted to Your Account until they are received and verified by Us. We are not responsible for delays in deposit posting due to improper identification on the deposit envelope. See Our Funds Availability Policy Disclosure for Our policy regarding the availability of Your deposits.

ISSUANCE OF PERSONAL IDENTIFICATION NUMBERS AND ACCESS CODES. You will be issued separate Personal Identification Numbers (PINs) to be used in conjunction with ATM Card and Check Card transactions and separate Access Codes to be used in conjunction with Phone Banking and Internet Banking transactions. Your use of Your PIN or Access Code is Your authorization to Us to withdraw funds from Your Account(s) to cover such transactions.

TYPES AND LIMITATIONS OF SERVICES

ATM CARD AND CHECK CARD TRANSACTIONS. You may use Your Card in conjunction with Your PIN in ATMs and/or such other machines or facilities as We may designate to: (a) withdraw cash from Your Money Market, Savings or Checking Account(s); (b) transfer funds between Your Money Market, Savings, Line of Credit or Checking Account(s); (c) learn the balances in Your Money Market, Savings, Line of Credit, Loan or Checking Account(s); (d) make deposits to Your Money Market, Savings or Checking Account(s); (e) obtain advances on Your Line of Credit; and (f) make payments directly to Your consumer loans with Us. You may also use Your Card to make Point of Sale (POS) withdrawals from Your

Checking Account and to purchase goods and services at any location where the Card is accepted. If You do use Your Card for such transactions, You authorize Us to withdraw funds up to the available balance of Your Account(s) to cover any such transactions, provided You have available funds.

For Teen Checking Accountholders, ATM withdrawals are subject to a maximum daily amount (money market, savings, line of credit and checking combined) of \$500.00 and Point of Sale ("POS") withdrawals from Your checking Account are subject to a maximum daily amount of \$2,000.00, provided You have enough money in Your Account. For Free Checking, Plus Checking and Business Checking Accountholders, ATM withdrawals are subject to a maximum daily amount (money market, savings, line of credit and checking combined) of \$1,000.00 and Point of Sale ("POS") withdrawals from Your checking Account are subject to a maximum daily amount of \$5,000.00, provided You have enough money in Your Account. For Premium Checking Accountholders, ATM withdrawals are subject to a maximum daily amount (money market, savings, line of credit and checking combined) of \$1,500.00 and Point of Sale ("POS") withdrawals from Your checking Account are subject to a maximum daily amount of \$7,500.00, provided You have enough money in Your Account.

PHONE BANKING TRANSACTIONS. You may use Phone Banking in conjunction with Your Access Code to make the following types of transactions on designated accounts: (a) telephone transfers of funds between Your checking, savings and line of credit Accounts that You may have with Us; (b) telephone transfers of funds from Your checking or savings Accounts that You may have with Us to another Credit Union member's account; (c) inquiries on Account balances and loan data; (d) make inquiries on share/deposit transactions; and (e) miscellaneous inquiries on Credit Union services that affect Your Account. Phone Banking operates during normal business hours (please contact the Credit Union for a list of those hours). If You attempt to use the system and are told that "the system is not available," please call back later when service is restored.

INTERNET BANKING TRANSACTIONS. You may use Internet Banking in conjunction with Your Access Code and a personal computer for the following services: (a) transfer of funds between Your checking, savings and line of credit Accounts that You may have with Us; (b) transfer of funds from Your checking or savings Accounts that You may have with Us to an account located at another financial institution or another member's Account with Us; (c) inquiries on Account balances and loan data; (d) inquiries on share/deposit transactions; and (e) miscellaneous inquiries on Credit Union services that affect Your Account.

If You use Our Internet Banking system to issue payments on Your behalf, You authorize Us to post any such payments requested by You to Your Account(s). Payments requested by You through the use of the Internet Banking system will be made by check and may take as long as 10 business days to be sent to the payee. The Credit Union can not guarantee the time any payment will reach any of Your creditors and accepts no liability for any service fees or late charges against You.

Access may be restricted during any period in which You, or any joint owner of an Account that is associated with You, is not a member in good standing, which includes members that have: (a) a delinquent loan; (b) a Regular Savings Account balance below the \$5.00 minimum; (c) an unresolved deposited returned check; (d) unpaid and uncollected Credit Union fees; (e) a negative balance on an Account; or (f) caused a financial loss to the Credit Union.

E-CHECKING TRANSACTIONS. You may authorize a merchant or other payee to make a one-time electronic payment from Your checking Account using information from your check ("E-Checking") to: (a) pay for purchases; or (b) pay bills.

OWNERSHIP. Your Card and/or any other Account access device will remain Our property and may be cancelled or its use restricted by Us at any time without notice. You agree to surrender it and to discontinue its use immediately upon Our request, You will be required to return any Account access devices to Us immediately upon the closing of Your Account.

ELECTRONIC SERVICES AGREEMENT AND DISCLOSURES (continued)

NOTIFICATION OF PRE-AUTHORIZED DEPOSITS. If You have arranged to have direct deposits made to Your Account at least once every 60 days (from Your employer, the Federal government or other payor), You can call Us at (512) 467-8080 in Austin, (409) 797-3300 in Galveston or (800) 252-8311 from within the continental United States to find out whether or not the deposit has been made.

RIGHT TO STOP PRE-AUTHORIZED PAYMENTS. If You want to stop any pre-authorized payments, call Us at (512) 467-8080 in Austin, (409) 797-3300 in Galveston or (800) 252-8311 from within the continental United States, or write Us at P.O. Box 9350, Austin, TX 78766 in time for Us to receive Your stop payment request three business days or more before the payment is scheduled to be made. If You call, We may also require You to put Your request in writing and get it to Us within 14 days after You call. Such stop payment notice will apply only to that particular payment. To be sure that a third party does not bill You again for the "stopped" payment or to cancel the entire pre-authorized payment arrangement, contact the third party.

OUR LIABILITY FOR FAILURE TO STOP PAYMENT. If You order Us to place a stop payment on one of Your pre-authorized payments three business days or more before the transfer is scheduled, and We do not do so, We will be liable for losses or damages, to the extent provided by law.

TRANSACTION SLIPS. You can get a receipt at the time You make any transaction to or from Your Account (except Internet Banking, telephonic and mail-in transactions, and certain small-value transactions). When an electronic transfer has been made during any given month, You will receive a monthly statement to reflect all electronic fund transfers to or from Your Account during that statement period. In any case, You will receive a statement at least quarterly.

FEES. We may assess reasonable charges against Your Account for transactions performed at electronic terminals. If so, We will specify any charges for these or other types of electronic transactions, including automatic transfers, on an accompanying pricing document. We will explain the charges to You when You open Your Account. You will be provided with a fee schedule, Phone Banking and Internet Banking information after Your Account is established. Additional fee schedules are available at any of Our office locations. When You use an ATM not owned by Us, You may be charged a fee by the ATM operator, or any network used, and You may be charged a fee for a balance inquiry even if You do not complete a fund transfer.

LIABILITY FOR FAILURE TO COMPLETE TRANSACTIONS. If We do not properly complete a transaction to or from Your Account according to this Agreement, We will be liable for Your losses or damages. However, We will not be liable if: (a) Your Account does not contain enough money to make the transaction through no fault of Ours; (b) the ATM where You are making the transaction does not have enough cash; (c) the terminal was not working properly and You knew about the breakdown when You started the transaction; (d) circumstances beyond Our control prevent the transaction; (e) Your Card is retrieved or retained by an ATM; (f) Your Card or PIN has been reported lost or stolen and We have blocked the Account or (g) the VISA Debit Card network does not allow the transaction to proceed due to anti-fraud or similar consumer protections employed by that network.

LIABILITY FOR UNAUTHORIZED USE. Telephone Us at once at (512) 467-8080 in Austin, (409) 797-3300 in Galveston or (800) 252-8311 from within the continental United States or write Us at P.O. Box 9350, Austin, TX 78766 if You believe Your Card, PIN or Access Code have been lost or stolen, or if you believe that an electronic fund transfer has been made without Your permission using information from Your check. Telephoning is the best way of keeping Your possible losses down. You could lose all the money in Your Account (plus Your maximum overdraft line of credit, if applicable). If You tell us within two business days after You learn of the loss or theft of Your Card or PIN, You can lose no more than \$50.00 if someone uses Your Card or PIN without Your permission. If You fail to tell Us within two business days after You learn of the loss or theft of Your Card or PIN and We can prove that We could have stopped someone from using Your Card or PIN without Your permission if You had told Us, then You could lose as much as \$500.00. Additionally, if Your periodic statement shows transfers that You did not make, including those made by Card, PIN or other means, You will tell Us at once. If You fail to tell Us within 60 days after We mail You the first periodic statement on which the transfer appears, You could lose the entire Account balance if We can prove We could have stopped someone from taking Your money if You had given Us notice in time. If a valid reason (such as a long trip or hospital stay) keeps You from giving Us notice, We will extend the time periods. **Exception: You will have no liability for unauthorized use of Your Check Card as long as You report the loss or theft of Your Check Card. This exception does**

not apply to transactions originating at an ATM outside the Plus Network or from Your gross negligence and/or fraudulent use of Your Check Card.

IN CASE OF ERRORS OR IF YOU HAVE QUESTIONS ABOUT ELECTRONIC TRANSFERS. Call Us at (512) 467-8080 in Austin, (409) 797-3300 in Galveston or (800) 252-8311 from within the continental United States or write Us at P.O. Box 9350, Austin, TX 78766 as soon as You can, if You think Your statement or receipt is wrong or if You need more information about a transaction listed on the statement or receipt. We must hear from You no later than 60 days after We send You the first statement on which the problem or error appeared.

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

If You tell us orally, We may require that You send us Your complaint or question in writing within 10 business days. We will determine whether an error occurred within 10 business days after We hear from You and will correct any error promptly. If We need more time, however, We may take up to 45 days to investigate Your complaint or question. If We decide to do this, We will credit Your Account within 10 business days 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 10 business days, We may not credit Your Account. We will tell You the results within three business days after completing Our investigation. If We decide that there was no error, We will send You a written explanation. You may ask for copies of the documents that We used in Our investigation. If We have credited Your Account with funds while investigating an error, We will charge Your Account for those funds if We conclude no error has occurred. In this provision, all references to 10 business days will be 20 business days if Your notice of error involves an electronic fund transfer that occurred within 30 days after the first deposit to Your Account was made and all references to 45 business days will be 90 business days if Your notice of error involves an electronic fund transfer that: (a) was not initiated within a state; (b) resulted from a point-of-sale debit card transaction; or (c) if Your notice of error involves an electronic fund transfer that occurred within 30 days after the first deposit to Your Account was made.

FOREIGN TRANSACTIONS. For Check Card transactions initiated in foreign currencies, the exchange rate between the transaction currency and the billing currency (U.S. dollars) will be: (a) 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 (b) the government-mandated rate in effect for the applicable central processing date. In each instance, plus or minus any adjustment determined by the Credit Union.

UNAUTHORIZED TRANSFERS. To report a lost or stolen Card, PIN, Access Code or any combination thereof, You will call Us at (512) 467-8080 in Austin, (409) 797-3300 in Galveston or (800) 252-8311 from within the continental United States. You may also report the loss of a Card, PIN, Access Code or any combination thereof, by writing to Us at the address shown in this Agreement. You should also call the number or write to the address listed above if You believe a transfer has been made using the information from Your check without Your permission.

DISCLOSURE OF ACCOUNT INFORMATION. We may disclose information to third parties about Your Account or transfers You make: (1) when it is necessary to complete an electronic transaction; or (2) in order to verify the existence and conditions of Your Account for a third party such as a credit bureau or merchant; or (3) in order to comply with a government agency or court order, or any legal process; or (4) if You give Us written permission.

TERMINATION. We may terminate Your right to use Your Card, PIN or Access Code or cancel this Agreement at any time upon written notice. You may request termination of these services in writing.

CHANGE IN TERMS. We may change the terms and charges for the services shown in this Agreement and may amend this Agreement from time to time.

BUSINESS DAYS. Every day is a business day except Saturdays, Sundays and holidays.

GOVERNING LAW. This Agreement is controlled and governed by the laws of the State of Texas except to the extent that such laws are inconsistent with controlling federal law.