

Important Account Information for Our Members



The following information will cover

Privacy;

Terms and Conditions;

Electronic Transfers;

Funds Availability and;

Common Features under our Truth in Savings

PRIVACY

Our privacy pledge to you: As our member you provide us with important information about yourself. We believe it is our responsibility to safeguard your personal and financial information. While some financial institutions share (savings) account owner information with other businesses, we are committed to keeping it confidential. We have developed the following privacy policy to ensure you the confidentiality you deserve. You have our promise that we will adhere to these guidelines. It is our pledge to you.

Notice of your financial privacy rights: We, our, and us, when used in this notice, mean Southland Federal Credit Union. This is our privacy notice for our members. When we use the words "you" and "your" we mean the following types of members:

- Our consumer members who have a continuing relationship by purchasing or holding financial products or services as a(n):
 - Share (savings) account
 - Loan account
 - Credit card account
 - Insurance policies issued by or through us
 - Real estate settlement services, if applicable
 - All IRA accounts for which we act as custodian

We will tell you the sources of the information we collect about you. We will tell you what measures we take to secure that information. We first define some terms.

Nonpublic personal information means information about you that we collect in connection with providing a financial product or service to you. Nonpublic personal information does not include information that is available from public sources, such as

telephone directories or government records. Hereafter, we will use the term “information” to mean nonpublic personal information as defined in this section.

An **affiliate** is a company we own or control.

A **nonaffiliated third party** is a person we do not employ or a company that is not an affiliate of ours. This is also known as nonaffiliated third party, or simply, an “other party.”

The information we collect: We collect information about you from the following sources:

- Information you give us on applications or other forms
- Information about your transactions with us
- Information about your transactions with other parties
- Information from a consumer reporting agency
- Information we receive as a result of verifying member information

Information we disclose about you: **We do NOT disclose any information about you to anyone, except as permitted by law.** Examples of this might include disclosures necessary to service your account or prevent unauthorized transactions.

The confidentiality, security, and integrity of your information: We restrict access to information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to protect this information.

Information about former members: We do not disclose information about former members except as permitted by law.

Terms and Conditions Of Your Account

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.

Agreement: This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully. If you sign the signature card or open or continue to have your account with us, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please contact us. This agreement is subject to applicable federal laws and the laws of the state of Texas (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law

that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

1. Summarize some laws that apply to common transactions;
2. Establish rules to cover transactions or events which the law does not regulate;
3. Establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
4. Give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. As used in this document the words “we”, “our” and “your” mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular. “Party” means a person who, by the terms of an account, has a present right, subject to request, to payment from the account other than as a beneficiary or agent.

Bylaws: Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. You may obtain a copy of the bylaws on request. Our right to require you to give us notice of your intention to withdraw funds from your account is described in the bylaws. Unless we have agreed otherwise, you are not entitled to receive any original item after it is paid, although you may request that we send you an item(s) or a copy of an item(s). Dividends are based on current earnings and available earnings of the credit union, after providing for required reserves.

Liability: You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement. Each of you agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. This includes liability for our costs to collect the deficit including, to the extent permitted by law, our reasonable attorneys’ fees.

Deposits: We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn “on us”). Actual credit for collection in U.S. dollars. We are not responsible for transactions by mail or outside

depository until we actually record them. We will treat and record all transactions received after our “daily cutoff time” on a business day we are open, or received on a day we are not open for business, as it initiated on the next following business day that we are open.

Withdrawals: Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person signing the signature card to endorse any item payable to you or your order for deposit to this account or any other transaction with us. We may charge your account for a check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts for which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal.

Ownership of Account and Beneficiary Designation: These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Single-Party Account without “P.O.D.” (Payable on Death) Designation: The party to the account owns the account. On the death of the party, ownership of the account passes as a part of the party’s estate under the party’s will or by intestacy.

Single-Party Account with “P.O.D.” (Payable on Death) Designation: The party to the account owns the account. On the death of the party, ownership of the account passes to the P.O.D. beneficiaries of the account. The account is not a part of the party’s estate.

Multiple-Party Account without Right of Survivorship: The parties to the account own the account in proportion to the parties’ net contributions to the account. The financial institution may pay any sum in the account to a party at any time. On the death of a party, the party’s ownership of the account passes as a part of the party’s estate under the party’s will or by intestacy.

Multiple-Party Account with Right of Survivorship and "P.O.D." (Payable on Death) Designation: The parties to the account own the account in proportion to the parties' net contributions to the account. The financial institution may pay any sum in the account to a party at any time. On the death of the last surviving party, the ownership of the account passes to the P.O.D. beneficiaries.

Convenience Account: The parties to the account own the account. One or more convenience signers to the account may make account transactions for a party. A convenience signer does not own the account. On the death of the last surviving party, ownership of the account passes as a part of the last surviving party's estate under the last surviving party's will or by intestacy. The financial institution may pay funds in the account to a convenience signer before the financial institution receives notice of the death of the last surviving party. The payment to a convenience signer does not affect the parties' ownership of the account.

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

Business Accounts: Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. We may require the governing body of the legal entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the legal entity.

Stop Payments: You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. To be effective, your stop-payment order must precisely identify the number, date and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. A release of the stop-payment request may be made only by the person who initiated the stop-payment order. Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

Telephone Transfers: A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in

writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account transfer restrictions may be described elsewhere.

Amendments and Termination: We may change our bylaws and any term of this agreement. Rules governing changes in rates are provided separately. For other changes we will give you reasonable notice in writing or by any other method permitted by law. We may close this account if your membership in the credit union terminates, or by giving reasonable notice to you and tender of the account balance personally or by mail. At our option, we may suspend your rights to member services if you violate the terms of this agreement. You must keep us informed of your current address at all times. Notice from us to any one of you is notice to all of you.

Statements: You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer. You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you. You further agree that if you fail to report any unauthorized signatures, alterations, forgeries, or any other errors in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

Account Transfer: This account may not be transferred or assigned without our prior written consent.

Direct Deposits: If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

Temporary Account Agreement: If this option is selected, this is a temporary account agreement. Each person who signs in the space designated for signatures on the signature card (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of

this account if you fail to comply with the requirements we have imposed within a reasonable time.

Right to Repayment of Indebtedness: You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we charge the account, including any balance the due date for which we properly accelerate under the note. In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accord with the statutory lien. Neither our contract rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account (IRA) or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), (c) the debtor's right of withdrawal arises only in a representative capacity, or (d) the debt is created by a home equity loan. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

Restrictive Legends: We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000.00."

Payment Order of Items: The law permits us to pay items (such as checks or drafts) drawn on your account in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items that you write. When processing items drawn on your account, our policy is to pay them in the order that they are received. The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. There is no policy that is favorable in every instance. If the smallest items are paid first, you may have fewer NSF or Overdraft Fees, but the largest, and perhaps more important items (such as rent or mortgage payments) might not be paid. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). The amounts of the overdraft and NSF fees are disclosed elsewhere. By paying items in the order that we receive them, we think our policy attains a reasonable balance between minimizing additional cost to you and paying your more important items. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or drafts without sufficient funds and incurring the resulting fees.

Pledges: Unless we agree otherwise in writing, each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective.

ACH and Wire Transfers: This agreement is subject to Article 4A of the Uniform Commercial Code – Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

Facsimile Signatures: You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.

NOTICE OF NEGATIVE INFORMATION

Federal law requires us to provide the following notice to members before any “negative information” may be furnished to a nationwide consumer reporting agency. “Negative information” includes information concerning delinquencies, overdrafts or any form of default. This notice does not mean that we will be reporting such information about you, only that we may report such information about members that have not done what they are required to do under our agreement. After providing this notice, additional negative information may be submitted without providing another notice. **We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.**

ELECTRONIC FUNDS TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

This Electronic Fund Transfer disclosure does not apply to any accounts other than consumer accounts, as defined by Regulation E. Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to

your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

Electronic Fund Transfers Initiated By Third Parties: You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check or draft to an electronic fund transfer or to electronically pay a returned check or draft charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and credit union information. This information can be found on your check or draft as well as on a deposit or withdrawal slip. Thus, you should only provide your credit union and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- Preauthorized credits: You may make arrangements for certain direct deposits to be accepted into your share draft (checking) or share (savings) account(s).
- Preauthorized payments: You may make arrangements to pay certain recurring bills from your share draft (checking) or share (savings) account(s).
- Electronic check or draft conversion: You may authorize a merchant or other payee to make a one-time electronic payment from your share draft (checking) account using information from your check or draft to pay for purchases or pay bills.
- Electronic returned check or draft charge: You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check or draft is returned for insufficient funds.

ATM Transfers – type of transfers, dollar limitations, and charges: You may access your account(s) by ATM using your Debit Card and personal identification number, to:

- Get cash withdrawals from share draft (checking) account(s) with a debit card
 - You may withdraw no more than \$500.00 per day
 - There is a charge of \$1.00 per use at ATMs we do not own or operate
- Get cash withdrawals from share (savings) account(s) with a debit card
 - You may withdraw no more than \$500.00 per day
 - There is a charge of \$1.00 per use at ATMs we do not own or operate
- Get information about:
 - The account balance on your share draft (checking) account(s)
 - With a debit card
 - There is a charge of \$1.00 per use at ATMs we do not own or operate
 - The account balance on your share (savings) account(s)
 - With a debit card
 - There is a charge of \$1.00 per use at ATMs we do not own or operate

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

Types of Debit Card Point-of-Sale Transactions: You may access your share draft (checking) accounts to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept. Point-of-Sale Transactions using your Debit Card may not exceed \$1,000.00 in transactions per day.

Currency Conversion: When you use your Debit Card at a merchant that settles in currency other than U.S. dollars, the charge will be converted into the U.S. dollar amount. The currency conversion rate used to determine the transaction amount in U.S. dollars is either a rate selected by MasterCard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

Advisory Against Illegal Use: You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the card holder may be located.

FEES

We do NOT charge for direct deposit to any type of account.

We do NOT charge for preauthorized payments from any type of account. Except as indicated elsewhere, we do not charge for these electronic fund transfers.

ATM Operator/Network Fees: When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

DOCUMENTATION

Terminal Transfers: You can get a receipt at the time you make a transfer to or from your account using an automated teller machine (ATM) or point-of-sale terminal.

However, you may not get a receipt if the amount of the transfer is \$15.00 or less.

Preauthorized Credits: 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, the person or company making the deposit will tell you every time they send us the money. You can call us at (936) 639-2311 to find out whether or not the deposit has been made.

Periodic Statements: You will get a monthly account statement from us for your share draft (checking) account(s). You will get a monthly account statement from us for your share (savings) account(s), unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

PREAUTHORIZED PAYMENTS

Right to Stop Payment and Procedure for doing so: If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how: Call or write us at the telephone number or address listed in this document in time for us to receive your request three (3) 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 business days after you call. We will charge you a \$25.00 fee for each stop-payment order you give.

Notice of varying amounts: If these regular payments may vary in amount, the person you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

Liability for failure to stop payment of preauthorized transfer: If you order us to stop one of these 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.

FINANCIAL INSTITUTION'S LIABILITY

Liability for failure to make transfers: If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- (1) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- (2) If you have an overdraft line and the transfer would go over the credit limit.
- (3) If the automated teller machine where you are making the transfer does not have enough cash.
- (4) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) If circumstances beyond our control (such as fire, flood, power failure) prevent the transfer, despite reasonable precautions that we have taken.
- (6) There may be other exceptions stated in our agreement with you.

CONFIDENTIALITY

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

- (1) Where it is necessary for completing transfers; or
- (2) In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (3) In order to comply with government agency or court orders; or
- (4) As explained in the Privacy Disclosure contained elsewhere in this document.

UNAUTHORIZED TRANSFERS

(a) Consumer Liability – Generally: Tell us AT ONCE if you believe your Card and/or code PIN (personal identification number) has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check or draft. 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 you tell us within two (2) business days after you learn of the loss or theft of your Card and/or code PIN (personal identification number), you can lose no more than \$50.00 if someone used your Card and/or code PIN (personal identification number) 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 code PIN (personal identification number), and we can prove we could have stopped someone from using your Card and/or code PIN (personal identification number) without your permission if you had told us, you could lose as much as \$500.00. Also, if your statement shows transfers that you did not using the information from your check or draft without your permission.

make, including those made by Card and/or code PIN (personal identification number) or other means, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed 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 a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

Additional Limit on Liability for MasterCard Debit Card - Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen MasterCard Check Card. This additional limit on liability does not apply to ATM transactions or to transactions using your PIN (Personal Identification Number) which are not processed by MasterCard.

(b) Contact in Event of Unauthorized Transfer - If you believe your card and/or code PIN (Personal Identification Number) has been lost or stolen, call or write us at the telephone number or address listed in this document. You should also call the number or write to the address listed in this document if you believe a transfer has been made using the information from your check or draft without your permission.

ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this document, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

(1) Tell us your name and account number (if any).

(2) Describe the error or 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 ten (10) business days. We will determine whether an error occurred within ten (10) business days (5 business days for MasterCard Debit Card point-of-sale transactions and 20 business days if the transfer involved a new account) 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 (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days (5 business days for MasterCard Debit Card point-of-sale transactions and 20 business days if the transfer involved a new account) 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. Your account is considered a new account for the first thirty (30) days after the first deposit is made,

unless each of you already has 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.

Southland Federal Credit Union
MEMBER SERVICES DEPARTMENT
2601 South John Redditt Drive
Lufkin, TX 75904
Business Days: Monday through Friday
Excluding Federal Holidays
Phone: (936) 639-2311 Fax: (936) 639-9854
E-Mail info@southlandfcu.com

NOTICE OF ATM/NIGHT DEPOSIT FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don't leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements you receive.
4. Don't lend your ATM and/or MasterCard Debit Card to anyone.
5. Remember, do not leave your Debit Card at the ATM. Do not leave any documents at a night deposit facility.
6. Protect the secrecy of your PIN (Personal Identification Number). Protect your ATM and/or MasterCard Debit Card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your ATM and/or MasterCard Debit Card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. If you lose your ATM and/or MasterCard Debit Card or if it is stolen, notify us immediately. You should consult the other disclosures you have received about

EFT (Electronic Fund Transfers) for additional information about what to do if your card is lost or stolen.

9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
10. Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your Card and leave. You might consider using another ATM or coming back later.
12. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
13. At a drive-up facility, make sure all the card doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to "transaction" accounts and share (savings) accounts. Transaction accounts, in general, are accounts that permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Share draft (checking) accounts are the most common transaction accounts. Feel free to ask us whether any of your other accounts might also be under this policy. Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit. 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. If we cash a check for you that are drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

LONGER DELAYS MAY APPLY

Case-by-Case Delays: In some cases, we will not make all of the funds that you deposit by check available to you on the first 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 business day after the day of your deposit. The first \$225.00 of your deposits, however, may be available on the first business day. If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds would be available.

Exception / Reasonable Cause To Doubt Collectability Holds

Under some conditions, funds deposited by a check may be delayed for longer periods. These are considered “exceptional” conditions. The funds made available may be delayed up to seven (7) business days. The first \$225.00 will be available the day of deposit for cash withdrawals and to pay share-drafts, unless the account was opened within the last 31 days.

Below is a list of reasons why an exception hold may be utilized:

An account has been repeatedly overdrawn in the last six (6) months.

The item(s) being deposited on this day exceed \$5,525.

An emergency, such as a natural disaster, communications malfunctions, or other situation.

We received notice that the check is being returned “unpaid”.

We believe the check deposited will not be paid for one or more of the following reasons: (reasonable cause to doubt collectability)

The check is drawn on an account with repeated overdrafts.

We are unable to verify the endorsement of a joint payee.

Some of the information on the check is not consistent with other information on the check.

There are erasures or other apparent alterations on the checks.
The routing number of the paying bank is not a current routing number. Information from the paying bank indicates that the check may not be paid. We have been notified that the check has been lost or damaged in collection.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules will apply during the first thirty one (31) days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, remote deposits* via our Sprig services, federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. *For remote deposit of a check - each check must be payable to you and you will need to write on back of each check "for Sprig deposit only". The excess over \$5,525 will be available on the seventh business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the business day after the day of your deposit.

Example: A member deposits a \$9,000 personal check on Monday, August 1st. The funds would be made available as follows: 1) \$225 made available on Tuesday, August 2nd; 2) \$5,300 made available by Wednesday, August 3rd and 3) \$3,475 made available by Wednesday, August 10th.

Note: The ability to withdraw funds under the Regulation CC – Funds Availability Act does not apply to funds deposited by check to non-transaction accounts (i.e. – savings, member certificate of deposit or in an individual retirement account). Nor to deposits made draw on foreign funds. If a hold is necessary in any of these cases a hold can be placed until funds are collected. In all cases, the member will be provided a “NOTICE OF HOLD” notice.

COMMON FEATURES

Bylaw Requirements: You must complete payment of one share in your share (savings) account as a condition of admission to membership.

Transaction Limitation: We reserve the right to at any time require not less than seven days notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D. Nature of Dividends: Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. (This disclosure further explains the dividend feature of your non-term share (savings) account(s).) National Credit Union

Share Insurance Fund (NCUSIF): Member accounts in this credit union are federally insured by the National Credit Union Share Insurance Fund.

COMMON FEES

Below is a list of our common fees and may be changed or amended from time to time. For a current copy of our common fee schedule please contact the credit union.

COMMON FEE SCHEDULE	Amount
Membership Fee	\$5.00
Member Share (par value)	\$25.00
Stop Payment Fee	\$20.00
Return Deposits (per item)	\$25.00
Insufficient Funds (NSF) - (per item, Check and/or ATM / Debit Card))	\$25.00
Overdraft using (ANR) auto non return (courtesy pay)	\$25.00
Domestic Outgoing Wires	\$20.00
International Outgoing Wires	\$45.00
Incoming Wire Transfers	\$15.00
Copy of Check (per item)	\$2.00
Copy of Statements (per page)	\$2.00
Account Printouts (per page)	\$1.00
Teller Checks (fee is charged if member request more than one per day)	\$2.00
Temporary Checks (limited to 8 checks, used to allow for regular check)	\$5.00
Check Orders (contact credit union for pricing information)	Varies by
Withdrawal from Savings (members are allowed 4 over the counter cash withdrawals per month, after that the fee of \$2.00 per withdrawal will)	\$2.00
Record Reconciliation or Research (per hour)	\$20.00
Debit Card Replacement	\$10.00
Debit Card PIN re-issue request	\$10.00
Closed Account Fee (when member closes account within 90 days of opening)	\$5.00
Inactivity Fee (per month, after 12 months of inactivity)	\$5.00
Return Mail	\$10.00
Money Orders (per money order, up to \$1,000)	\$1.00
Debit Card (not used at a SFCU ATM or CO-OP Branded ATM)	\$1.00