



**Southwest Financial**  
Experience Better Banking

# **Membership and Account Agreement**

Revised February 1, 2026

Southwest Financial Federal Credit Union  
Membership and Account Agreement

This Membership and Account Agreement and applicable Disclosures, Service Fee Schedule, and the account opening documents for your account make up the contract between you and Southwest Financial Federal Credit Union (the Agreement) governing your account. By signing the account opening documents, requesting an account, or maintaining an account, you understand and agree to these terms. You may access the most current version of this Agreement by logging into your account or by contacting Southwest Financial Federal Credit Union.

**Terms.** Throughout this Agreement, the words “you”, “your” and “yours” refer to the account holders and authorized signers of an account. The words “we”, “us” and “Southwest Financial” refers to Southwest Financial Federal Credit Union. For a glossary of additional terms, see the end of this Agreement.

**Important Information About Procedures For Opening an 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 or has an ownership interest in an account.

*What this means for you:* When you open an account or request ownership interest in an account, Southwest Financial will ask for your name, address, date of birth, and other information to identify you. Southwest Financial may also ask to see your driver’s license or other identifying documents.

#### **GENERAL ACCOUNT TERMS AND CONDITIONS**

**Applicable Law.** Your account and this Agreement shall be governed by the Federal Credit Union Act, the rules and regulations of the National Credit Union Administration, Southwest Financial’s bylaws and, to the extent that local law applies, by the laws of the State of Texas. Subject to applicable law, you agree without protest to personal jurisdiction in Dallas County in the State of Texas. This means, among other things, that your deposit rights and obligations as explained in this Agreement are based upon federal rules and regulations, including charges, fees, disclosures, and notices that may apply from time to time.

You agree that, except as stated in this Agreement, all deposit transactions between you and Southwest Financial will only be final and completed when entered on the records at Southwest Financial at our corporate office. Although Southwest Financial may provide you with provisional or interim deposit credit (such as through a shared branch or the use of an ATM machine), you agree that any deposit-related transaction remain conditional until accepted by Southwest Financial at its corporate office.

**WAIVER OF RIGHT TO JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, YOU AND SOUTHWEST FINANCIAL KNOWINGLY AND CONCLUSIVELY WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY DISPUTE RELATING IN ANY WAY TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ALL CLAIMS ARISING OUT OF ANY LENDING RELATIONSHIP OR ACCOUNT THAT MAY BE AFFECTED BY THIS AGREEMENT.**

**WAIVER OF CLASS ACTION PARTICIPATION. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, YOU AND SOUTHWEST FINANCIAL KNOWINGLY AND CONCLUSIVELY WAIVE ALL RIGHTS TO**

**PARTICIPATE, EITHER AS A REPRESENTATIVE OR MEMBER OF A CLASS, IN ANY DISPUTE OR MATTER INSTITUTED AS A PURPORTED CLASS ACTION. YOU AND SOUTHWEST FINANCIAL ALSO KNOWINGLY AND CONCLUSIVELY WAIVE THE RIGHT TO JOIN OR CONSOLIDATE DISPUTES BY OR AGAINST OTHERS AS A REPRESENTATIVE OR MEMBER OF A CLASS, TO ACT IN ANY LEGAL MATTER IN THE INTERESTS OF THE GENERAL PUBLIC, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.**

**Purpose of Account.** Southwest Financial provides the account for personal, family, or household use. Southwest Financial may, in its sole discretion, close the account if the account is used for business purposes without the express written consent of Southwest Financial.

**Changes to Agreement.** Southwest Financial may change this Agreement at any time, whether by adding new terms and conditions, deleting and/or amending existing ones. Southwest Financial will generally send advance notice of an adverse change by mailing, emailing or delivering a notice, a statement message, or an amended Agreement to the last address (location or email) on file for you. In some cases, Southwest Financial may amend the Agreement without prior notice by posting information on swfinancial.org or otherwise making it available to you. If you do not agree with a change, you may close your account. However, if you continue to use your account or keep it open, you accept and agree to the change. The current version of this Agreement supersedes all prior versions and contains the terms governing your account.

**Charging an Account.** Southwest Financial may deduct fees, overdrafts, and other amounts you owe to Southwest Financial from your accounts with Southwest Financial or from any other Southwest Financial accounts in which you have an ownership interest. Southwest Financial may make such deductions at any time and without prior notice to you or request from you. If there are not enough funds in the account to cover amounts owed to Southwest Financial, Southwest Financial may overdraw your account. You agree to pay immediately all amounts you owe Southwest Financial. Southwest Financial may use deposits you or others make to your account, including any Federal or State benefit payments that you choose to deposit in any account (including direct deposit of Social Security benefits) to pay fees, overdrafts, and other amounts you owe Southwest Financial. You understand and agree that if you do not want your benefits applied in this way, you may change your direct deposit instructions to the benefits payor at any time.

**Closing an Account.** Southwest Financial may close your account at any time without advance notice. Southwest Financial may require you to give a minimum of ten days advance written notice when you intend to close your account by withdrawing your funds. If your account has a zero balance, we may consider your account closed. This Agreement continues to govern your account even after your account closes. If you or Southwest Financial closes your account, Southwest Financial may return deposits, checks and other items received after closing the account; or Southwest Financial may reopen the account and accept the deposits or debits, even if doing so overdraws your account, without being liable to you. Southwest Financial will notify you if it reopens your account. You agree to pay immediately all amounts you owe to Southwest Financial. Southwest Financial will return any balance in your account, less any fees, service charges, claims, statutory and consensual liens, or other amounts you owe Southwest Financial, if applicable.

**Photography, Filming, and Recording on Premises.** You understand and agree that, for the safety and security of our members' private information, Southwest Financial prohibits any photography, filming, or recording of any type on any Southwest Financial premises, including at or near any ATM or other device which may display or allow dissemination of confidential information. This prohibition applies to all members, visitors, and other persons on Southwest Financial property.

**Fees.** Southwest Financial's Service Fee Schedule describes the rates and fees associated with Southwest Financial's accounts and services. Southwest Financial may change rates and fees by

updating the Service Fee Schedule. By continuing to use the account or keeping it open, you agree to the revised Service Fee Schedule. All fees are due immediately and all account holders are jointly and severally liable for such fees.

## **DENIAL OR LIMITATION OF SERVICES**

Southwest Financial may deny, limit, restrict, or terminate services to any member or other person who is not in good standing for any of the following reasons:

**Financial Loss or Default.** The member has caused or threatened to cause Southwest Financial a financial loss; is delinquent or in default on any Southwest Financial loan or other obligation; has an overdrawn share account or repeated overdrafts in a checking account; has presented insufficient funds items, kited checks, or presented counterfeit items; has filed for bankruptcy that includes Southwest Financial obligations; has had an account charged off or sent to collections; has failed to repay any debt owed to Southwest Financial; maintains negative balances in accounts; or has manipulated or abused Southwest Financial services or products to the detriment of Southwest Financial or its membership.

**Abusive Conduct.** The member has engaged in "abusive conduct" as defined below.

**Fraudulent or Illegal Activity.** The member has engaged in, attempted, or been convicted of fraud or other illegal conduct in relation to Southwest Financial, including conduct involving Credit Union employees; has misappropriated Southwest Financial funds or property; has conducted or attempted to conduct fraudulent, dishonest, or deceptive activity involving Southwest Financial services; has engaged in suspicious transactions that may indicate money laundering or other financial crimes; or has provided false information on applications or other Southwest Financial documents.

**Violation of Membership Agreement.** The member has engaged in substantial or repeated violations of Southwest Financial's membership agreement, account terms and conditions, or Southwest Financial policies; has deliberately or repeatedly violated security procedures, rules, or transaction limitations; or has used Southwest Financial services in furtherance of illegal purposes or for personal gain at the expense of Southwest Financial.

**Other Grounds.** Any other conduct that poses a safety or soundness threat to Southwest Financial or its operations; or possession, use, or being under the influence of illegal drugs or excessive alcohol on Southwest Financial premises.

**Abusive Conduct Definition.** For purposes of this Agreement, "abusive conduct" includes, but is not limited to, the following conduct directed toward or involving Southwest Financial employees, officials, volunteers, members, and vendors, whether occurring on Southwest Financial premises, at Southwest Financial functions, through telephone, mail, email, text message, social media, or other electronic communication:

- **Harassment and Threatening Behavior:** Any type of harassment, including age, sexual, ethnic, or racial harassment; making racial or ethnic slurs; using vulgar, profane, abusive, inappropriate, intimidating, or threatening language; making or suggesting threats of bodily harm or property damage; acts or threats of violence, intimidation, stalking, or coercion; physical or verbal abuse; or harassment through repeated or unwanted contact.
- **Sexual Misconduct:** Engaging in sexual conduct or making sexual overtures, advances, or propositions; making graphic or degrading comments about an individual or their appearance; displaying sexually suggestive objects or pictures on Southwest Financial premises; or engaging in unwanted romantic suggestions or uninvited touching.

- **Disruptive Behavior:** Substantial or repeated disruption to Southwest Financial operations; making false, vicious, or malicious statements about Southwest Financial, its services, operations, policies, practices, management, or any Southwest Financial Related Party; attempting to coerce or interfere with Southwest Financial employees in the performance of their duties; engaging in behavior that injures any person or damages any property while on Southwest Financial premises or at Southwest Financial functions; fighting, kicking, or other physical aggression; or any posting, defacing, or removing of notices or signs on Southwest Financial premises without written authorization.
- **Dangerous Behavior:** Engaging in offensive or abusive physical contact; carrying weapons on Southwest Financial premises in violation of Southwest Financial policy or law; or any conduct that creates a safety risk to Southwest Financial employees, officials, volunteers, members, and vendors.

**Clarification.** The following conduct, standing alone, is insufficient to constitute dangerous or abusive behavior:

- Expressions of frustration with Southwest Financial or its employees through elevated volume and tone;
- Expressions of intent to seek lawful recourse, regardless of perceived merit; or
- Repeated interactions with Southwest Financial employees.

**Services Subject to Denial or Limitation.** When a member is determined not to be in good standing, Southwest Financial may impose any combination or all of the following restrictions:

- Denial or restriction of checking accounts and related services; savings accounts (other than the basic share account); certificates of deposit, money market accounts, or other deposit products; cashier's checks, money orders, or official checks; or wire transfer services
- Limitation of withdrawal privileges or transaction frequency
- Suspension or termination of online banking, mobile banking, telephone banking services; ATM and debit card services; remote deposit capture; ACH services; bill payment services; or shared branching or shared ATM network privileges
- Denial of consumer loans, mortgage loans, credit cards, credit lines, loan modifications, refinancing, or any extension of credit
- Suspension or termination of services involving personal contact with Southwest Financial employees; suspension or termination of access to Southwest Financial premises; requirement that all transactions be conducted by mail or electronic means only; or denial of attendance at Southwest Financial functions or events
- Denial of safe deposit box services, notary services, financial counseling or education services; or any other Southwest Financial services

**Note:** The fundamental rights to maintain a share account and vote at annual and special meetings of the membership cannot be suspended or terminated without formal expulsion as outlined in your membership agreement and Southwest Financial's Member Expulsion Policy.

**Notification of Service Limitations.** When Southwest Financial determines that a member is not in good standing and that services will be denied, limited, or terminated, Southwest Financial will notify you in writing. The notice shall be sent by mail to your address of record or, if you have elected to receive electronic communications, may be sent electronically. The notice shall include: (1) the services being denied, limited, or terminated; (2) the basis for the limitation of services; (3) the effective date of the service limitation; and (4) information on how you may request reconsideration or appeal.

**Exception:** In the event of suspected or ongoing fraud, a negative balance that poses immediate risk of loss, or an imminent threat to the safety of Southwest Financial employees, officials, volunteers, members, and vendors, your account may be immediately frozen, restricted, or terminated, and notification may be provided after the action is taken.

**Your Responsibility.** Upon receipt of any notice of service limitations or termination, you are responsible for making changes to your financial arrangements (direct deposits, bill payments, debit card transactions, checking account usage, etc.) to avoid disruption of services. Southwest Financial is not responsible for the return or refusal of any transactions as a result of the limitations of service.

## **MEMBER EXPULSION POLICY**

**Authority for Expulsion.** Under the Federal Credit Union Act (12 U.S.C. § 1764), Southwest Financial may expel a member through one of three methods: (1) by a two-thirds vote of the members present at a special meeting called for that purpose; (2) for nonparticipation in the affairs of Southwest Financial, as specified in this policy; or (3) for cause, by a two-thirds vote of a quorum of Southwest Financial's board of directors, pursuant to NCUA policy.

**Notice of Expulsion Policy to Members.** Southwest Financial shall provide notice of this expulsion policy to all members, which may be provided: (1) as part of this membership agreement; (2) in account terms and conditions; (3) as a separate policy document; (4) through electronic delivery if you have elected to receive electronic communications from Southwest Financial; or (5) on Southwest Financial's website with written notice to members of its availability. New members shall be provided notice of this policy prior to or upon applying for membership.

**Prohibition on Class Expulsions and Retaliation.** An expulsion shall be done individually, on a case-by-case basis. Southwest Financial may not expel a class of members. Members cannot be expelled due to or in retaliation for: (1) complaints made to the NCUA or any other regulatory agency or law enforcement; or (2) protected whistleblower activities by members who are employees or former employees of Southwest Financial.

**Effect of Expulsion.** Upon expulsion from membership: (1) your membership in Southwest Financial is terminated; (2) you are no longer entitled to Southwest Financial services; (3) you are no longer entitled to vote at Southwest Financial meetings; (4) you must close all accounts in accordance with Southwest Financial procedures and account terms; (5) expulsion does not relieve you from liability for any amounts you owe to Southwest Financial; and (6) Southwest Financial will pay all of your shares less any amounts due to Southwest Financial, determined and paid in accordance with Southwest Financial's bylaws and applicable regulations.

### **Expulsion for Nonparticipation.**

- **Definition.** "Nonparticipation" means your failure to vote in Southwest Financial elections and failure to conduct business with Southwest Financial, including your failure to purchase shares from, obtain a loan from, or lend to Southwest Financial.
- **Application.** This nonparticipation policy will not apply to any account held by a member who has at least one other active account or relationship with Southwest Financial.
- **Notification.** At least 30 days prior to the effective date of expulsion for nonparticipation, Southwest Financial will mail to you at your current address on file a copy of this policy or a notice informing you of the pending expulsion for nonparticipation. The notice shall include: (1) the reason for the pending expulsion (nonparticipation); (2) the definition of nonparticipation; (3) the effective date of expulsion;

(4) how you may avoid expulsion by demonstrating your intention to participate in Southwest Financial affairs; and (5) the deadline by which you must respond.

- **Member Response.** Termination for nonparticipation will be effective 30 days after you have been notified by mail, sent to your last known address on Southwest Financial's records, unless you have notified Southwest Financial of your intention to participate before the expiration of the 30-day period. You may demonstrate intent to participate by: (1) voting in Southwest Financial elections; (2) conducting a transaction with Southwest Financial (deposit, withdrawal, loan payment, etc.); (3) opening a new account or obtaining a new loan; (4) contacting Southwest Financial in writing to express intent to remain an active member; or (5) any other demonstration of active engagement with Southwest Financial affairs.
- **Account Closure.** Upon termination for nonparticipation, Southwest Financial will close your account and provide you with the remaining funds, less any amounts due to Southwest Financial.
- **Failure to Maintain Minimum Share Balance.** Southwest Financial may also terminate your membership if you: (1) fail to complete payment of one share within 30 days of admission to membership; (2) fail to complete payment of one share within 90 days from the increase in the par value of shares; or (3) reduce the share balance below the par value of one share and do not increase the balance to at least the par value of one share within 180 days of the reduction.

#### **Expulsion for Cause by Board Vote.**

- **Definition.** A member may be expelled "for cause" when the member has engaged in any of the following conduct: (1) a substantial or repeated violation of this membership agreement; (2) a substantial or repeated disruption, including dangerous or abusive behavior (including violence, intimidation, physical threats, harassment, or physical or verbal abuse of Southwest Financial officials, employees, members, or agents), to the operations of Southwest Financial; or (3) fraud, attempted fraud, or conviction of other illegal conduct in relation to Southwest Financial, including conduct involving Southwest Financial's employees.
- **Notice Requirements for Non-Substantial Violations.** If Southwest Financial is considering expulsion of a member due to repeated non-substantial violations of this agreement or repeated non-substantial disruptions to Southwest Financial's operations, Southwest Financial must provide written notice to you at least once prior to issuing a notice of pending expulsion. The written notice must: (1) state the specific nature of the violation or conduct; and (2) state that if the violation or conduct occurs again, you may be expelled from Southwest Financial. If the violation or conduct is repeated within two years after you were notified, Southwest Financial may then proceed with expulsion procedures.
- **Notice of Pending Expulsion.** If you will be subject to expulsion for cause by board vote, Southwest Financial shall provide you with written notice of the pending expulsion in advance of any expulsion vote. The notice shall be provided in person, by mail to your address of record, or electronically if you have elected to receive electronic communications from Southwest Financial.

The notice of pending expulsion must include: (1) relevant dates of the conduct or violation giving rise to the expulsion; (2) sufficient detail for you to understand the grounds for expulsion, including: (a) the date(s) of the interaction(s) or conduct; (b) specific information describing the interaction(s) or conduct (not merely conclusory statements); (c) how the conduct violated this membership agreement or constituted dangerous or abusive behavior; and (d) generic identification of Southwest Financial personnel involved (e.g., "teller," "loan officer," "customer service representative") without requiring specific names; (3) your right to request a hearing

with the board of directors; (4) how to request a hearing and the deadline for requesting a hearing; (5) the hearing procedures, including the format of the hearing (videoconference, telephonic, or written submission); (6) notification that if a hearing is not requested, your membership will terminate after 60 calendar days from receipt of the notice; (7) a general statement, if applicable, on the effect of expulsion related to your accounts or loans at Southwest Financial; and (8) information on how to submit complaints to the NCUA Consumer Assistance Center if the complaint cannot be resolved directly with Southwest Financial.

The notice must provide sufficient detail so you have a meaningful opportunity to respond to Southwest Financial's concerns if a hearing is requested.

- **Member's Right to Request a Hearing.** You shall have 60 calendar days from the date of receipt of the notification to request a hearing from the board of directors. The request for a hearing must be submitted to Southwest Financial in writing within the 60-day period. If you do not request a hearing within 60 days of receipt of the notice, you shall be deemed expelled after the end of the 60-day period.
- **Hearing Before the Board of Directors.** If you request a hearing within the 60-day period, the board of directors must provide you with a hearing.

#### **Hearing Procedures:**

- You are not entitled to attend the hearing in person, but you must be provided a meaningful opportunity to present your case orally to the board of directors through a videoconference hearing;
- If you cannot participate in a videoconference hearing, Southwest Financial may offer a telephonic hearing;
  - You may choose to provide a written submission to the board instead of a hearing with oral statements;
  - If you request a hearing but do not attend the scheduled videoconference or telephonic hearing, the board may proceed with the expulsion vote;
  - You may be accompanied by an advisor or legal counsel;
  - The hearing shall be conducted in a fair and impartial manner;
  - The board may establish reasonable procedures regarding the order of speakers and length of the hearing;
  - At the hearing, the board may not raise any rationale for expulsion that was not explicitly included in the notice of pending expulsion;
  - Southwest Financial shall maintain a record of the hearing proceedings.
- **Board Vote on Expulsion.** After the hearing, the board of directors must hold a vote within 30 calendar days of the hearing on expelling you. You may be expelled for cause only by a two-thirds vote of a quorum of the board of directors. The vote must be documented in the board meeting minutes. The decision must be based on the information provided in the notice of pending expulsion and any information presented at the hearing or in written submissions.
- **Notice of Expulsion Decision.** If you are expelled, either through expiration of the 60-day period without requesting a hearing or by a two-thirds board vote after a hearing, written notice of the expulsion must

be provided to you. The notice shall be provided: (1) in person; (2) by mail to your address of record; or (3) electronically if you have elected to receive electronic communications from Southwest Financial.

The notice of expulsion shall: (1) inform you of the expulsion; (2) provide information on the effect of the expulsion, including information related to your account access and any deductions by Southwest Financial related to amounts due; (3) inform you of the right to challenge the decision by submitting a complaint to the NCUA Consumer Assistance Center if the complaint cannot be resolved directly with Southwest Financial; and (4) state that you have an opportunity to request reinstatement.

- **Reinstatement After Expulsion.** You may request reinstatement of membership. You may be reinstated by either: (1) a majority vote of a quorum of the directors of Southwest Financial; (2) a majority vote of the members of Southwest Financial present at a special meeting called for that purpose; or (3) a majority vote of members at an annual meeting, provided the annual meeting occurs within 90 days of your reinstatement request.

Southwest Financial is only required to hold a board vote or special meeting in response to your first reinstatement request following expulsion. Southwest Financial may establish conditions for reinstatement, including but not limited to: (1) payment of all outstanding debts owed to Southwest Financial; (2) demonstration that the conduct giving rise to the expulsion will not recur; (3) agreement to comply with all Southwest Financial policies and procedures; and (4) any other conditions deemed reasonable and appropriate by the board.

#### **Appeal and Reconsideration of Service Limitations.**

- **Request for Reconsideration.** If your services have been limited or terminated (but you have not been formally expelled from membership), you may submit a written request for reconsideration to Southwest Financial's Chief Executive Officer or designated senior management official. The request should include: (1) an explanation of why the service limitations should be reconsidered; (2) evidence of corrective action taken (such as payment of outstanding debts); and (3) any other relevant information supporting reinstatement of services. The Chief Executive Officer or designee will review the request and provide a written response within a reasonable timeframe.
- **Appeal to Board of Directors.** If you are dissatisfied with the decision on reconsideration, you may appeal to Southwest Financial's board of directors. The appeal must be submitted in writing and will be considered at a regularly scheduled board meeting or special meeting as appropriate.

**Record Retention.** Southwest Financial shall maintain records related to any member expulsion through a vote of the directors for six years. Records shall include: (1) notice of pending expulsion; (2) your request for hearing (if any); (3) record of hearing proceedings (if any); (4) board meeting minutes reflecting expulsion vote; (5) notice of expulsion provided to you; and (6) any reinstatement requests and board action thereon.

#### **MEMBER IN GOOD STANDING**

A member is considered to be in "good standing" when the member:

- Maintains at least the minimum share balance required by Southwest Financial's bylaws;
- Has not caused a financial loss to Southwest Financial;
- Has not failed to comply with the terms and conditions of any lawful obligation with Southwest Financial;
- Has not engaged in abusive conduct as defined below;

- Has not had any account closed due to improper behavior;
- Does not maintain a negative balance in a share or checking account;
- Is not significantly delinquent on any Southwest Financial loan or obligation;
- Has not engaged in fraudulent, deceptive, or illegal activities involving Southwest Financial; and
- Has not engaged in conduct that poses a threat to the safety or soundness of Southwest Financial.

**Fundamental Member Rights.** Under the Federal Credit Union Act, all members retain two fundamental rights that cannot be suspended or terminated except through formal expulsion:

1. The right to maintain a share account; and
2. The right to vote at annual and special meetings of the membership.

Even members who are not in good standing and are subject to service limitations retain these fundamental rights unless and until they are formally expelled from membership.

## INFORMATION ABOUT YOU

**Information You Provide.** When you open an account, you provide information about yourself and confirm that it is correct. Southwest Financial will rely on that information until you notify Southwest Financial of a change in that information and Southwest Financial has a reasonable time to act on that change. All financial institutions are required by law, including the USA PATRIOT Act, to obtain, verify, and record information that identifies each customer who opens an account with that financial institution and in certain other circumstances. In accordance with applicable law, Southwest Financial may also request information about your account activity, such as the sources of funds being deposited into your account and how you intend to use your account. If you fail to provide the information Southwest Financial requests, Southwest Financial may restrict your access to various services and features that would otherwise be available for all of your accounts with Southwest Financial. For example, Southwest Financial may restrict your ability to use remote deposit services, such as shared branching or mobile check deposit, until you provide the requested information. Some of the other account activities that Southwest Financial may restrict include, but are not limited to funds transfer services; person-to-person transfer services; online bill payment services; debit card transactions including ATM transactions. For share certificate accounts (including IRAs), Southwest Financial may refuse to accept additional deposits and may decline requests for partial withdrawals; Southwest Financial may also refuse to renew a share certificate or may refuse to accept changes to share certificates at maturity. For IRAs, Southwest Financial may also restrict withdrawals that are not required minimum distributions. In certain circumstances, Southwest Financial may elect to close your account(s). If Southwest Financial closes a share certificate prior to maturity, Southwest Financial may impose the applicable penalty for early withdrawal.

**Credit Bureaus and Consumer Reporting Agencies.** You agree and authorize Southwest Financial to obtain and verify your credit and employment history when you initially request an account and from time to time from credit reporting agencies, consumer reporting agencies, and other third parties as Southwest Financial deems necessary.

**Southwest Financial may report information about you, your shares, and your loan accounts to credit bureaus, consumer reporting agencies and other third parties as Southwest Financial deems necessary. Late payments, missed payments or other defaults on your share and loan accounts may be reflected in your credit and/or consumer reports.**

If you believe that information Southwest Financial reported is inaccurate or incomplete, please notify

the credit reporting company. You should explain in writing the specific information you are disputing, why you are filing a dispute, and include copies of documents that support your dispute. Include your name, address, phone number and account number. If your notification relates to an incident of identity theft, you will be required to provide a copy of your identity theft report filed with law enforcement authorities.

If you prefer, you may file a written dispute directly to Southwest Financial. You may dispute directly to Southwest Financial any information contained in a credit report that pertains to an account or other relationship you have or have had with Southwest Financial. Please send your written request to

Southwest Financial Federal Credit Union  
Attn: Member Solutions  
1750 Valley View Lane, Ste 110  
Farmers Branch, TX 75234

In your letter, you must include sufficient information for Southwest Financial to identify the account or other relationship in dispute, and you must identify the specific information you are disputing and explain your basis for the dispute. You also must provide all supporting documentation or other information Southwest Financial may reasonably require to substantiate your dispute. If you do not comply with these requirements, Southwest Financial may decline to investigate your dispute.

**Release of Account Information.** Southwest Financial may release information about your accounts and the transactions you perform to third parties, with your written permission, as required or permitted by law or in accordance with customary financial institution practices. For example, Southwest Financial may disclose information to verify the existence and condition of your accounts, to complete a transaction, or to comply with government orders or legal processes.

**Change of Contact Information.** You must notify Southwest Financial if you change your name, physical address, mailing address, phone number(s), or email address. If Southwest Financial receives notice from the United States Post Office or one of its agents that your information has changed, Southwest Financial may change your information on its records to the information specified by the Post Office or one of its agents. Southwest Financial may contact you using the updated information, including sending statements and notices regarding your account to that new address.

## **ACCOUNT OWNERSHIP**

**Ownership of Accounts.** Southwest Financial only determines ownership of accounts at the time of account opening and from the information in its records. Southwest Financial may rely on information you provide. Changes you request to your account are not effective until Southwest Financial has had a reasonable time to act.

**Form of Ownership.** You are solely responsible for selecting the form of ownership of your account and for meeting any applicable requirements for establishing the desired form of ownership. The type of ownership you select may determine how property passes on your death. By default, our joint accounts are established with rights of survivorship.

**Joint Accounts.** If two or more persons are named as owners of the account (account holders), they will own the account equally, regardless of whose money is deposited into the account or who makes the deposits. They will own the account as joint account holders with rights of survivorship. Upon the death of any account holder, the funds in the account vest in and belong to the surviving account holders as the separate property of the surviving account holders, including any community property interest in the account. Southwest Financial may limit the number of persons who can be named as owners of the

account. For any joint account where a joint account holder has died, Southwest Financial reserves the right to not release funds in the account until sufficient legal documentation is delivered to Southwest Financial and Southwest Financial has had a reasonable opportunity to review such documentation. You agree to notify Southwest Financial immediately of the death of any joint account holder. For any account where a joint account holder is added to an existing account, the added account holder has all the same rights and access to the account as the original account holder, including access to all account and transaction history. Each joint account holder acts as the agent of each other joint account holder.

Each joint account holder authorizes any other joint account holder to withdraw funds, make deposits, transact on the account, or close the account (with the exception of the original share account) without the consent of any other joint account holder. Southwest Financial may rely on the instructions of any one joint account holder without liability to any other joint account holder. Notice provided by Southwest Financial to any one joint account holder is notice to all joint account holders. Southwest Financial reserves the right to require the signatures of all joint account holders at any time. Each joint account holder is jointly and severally liable to Southwest Financial for all fees and charges assessed against the account; all amounts owed to Southwest Financial on the account; and all costs and liabilities related to this Agreement or the account. Each joint account holder authorizes Southwest Financial to exercise statutory and consensual liens and enforce its security interest in the entire joint account, even though only one of the joint account holders is the debtor, and irrespective of who contributed funds to the account. Southwest Financial may also pay all or any part of the funds in the account to a court or governmental agency upon receipt of a garnishment order, tax levy, or similar legal process identifying any one of the joint account holders. Also see the Statutory and Contractual Lien provisions below in the Additional Terms and Services section.

**Payable on Death (POD) Accounts.** You may designate an account to be payable on your death to a designated beneficiary or beneficiaries (POD payee or payees). Payment to the POD payee or payees is subject to Southwest Financial's right to charge the account for any amount the deceased owner, joint account holder, or payee owes to Southwest Financial and subject to any other applicable legal requirements that may require Southwest Financial to pay claims or obligations of the deceased person's estate or otherwise. Southwest Financial may limit the number of POD payees for an account.

**Accounts for Minors.** At its discretion, Southwest Financial may open an account for a minor. Southwest Financial reserves the right to require a minor account to be jointly owned with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to Southwest Financial for any returned item, overdraft, or unpaid charges or other amounts owing on such account. In the event that Southwest Financial opens an account; receives payment or pays withdrawals on the account by or for a minor; act in any other matter on the order of the minor without regard to the minor's legal capacity, you agree to discharge Southwest Financial from any liability to the extent of any such actions. Unless the parent or guardian is a joint owner on a minor account, the parent or guardian shall have no rights to access or obtain information about the account. Even if a parent, guardian, or another adult is a joint owner on a minor account, as an account owner the minor has the right at any time to withdraw the account funds and close the account. Minors under the age of 15 may not open a checking account individually or jointly with another person, unless the joint owner is over the age of 18. Southwest Financial will not change the account ownership when the minor reaches the age of majority, unless authorized in writing.

**Texas Uniform Transfer to Minor Accounts.** Southwest Financial does not generally offer Texas Uniform Transfer to Minor Account (TUTMA) accounts. In the event that Southwest Financial, in its sole discretion, approves an application for a TUTMA account, then all funds deposited into a TUTMA irrevocably become the property of the minor, but are to be managed for the minor's benefit by a designated custodian until the minor reaches the age of 21, at which time the custodian is responsible for distributing the funds to the minor. The minor shall have no authority to withdraw funds from the TUTMA account. Southwest Financial is entitled to rely upon instructions from the custodian named on

the account. Southwest Financial shall not be liable to the minor for any actions taken by the custodian in connection with the account. Only one custodian (who must be 21 or older) and one minor are allowed per account. Upon the death or evidence satisfactory to Southwest Financial of incapacity of the custodian named on the account application, Southwest Financial shall rely upon the instructions of a successor custodian. Southwest Financial shall have no duty to monitor the account or the status of the custodian or minor. Upon the withdrawal of all funds in the account by the custodian, Southwest Financial shall have no further responsibility to the custodian or the minor and the account will be closed.

**Other Accounts.** If the account is opened as an estate account, trust account, guardianship, conservatorship account, or other similar type of account, Southwest Financial reserves the right to require such documentation or authorizations as it may reasonably deem necessary or appropriate to satisfy Southwest Financial that the person requesting or directing the withdrawal of funds from the account has the authority to do so.

The relationship between you and Southwest Financial for an estate, trust, guardian, conservatorship, or other similar account is non-fiduciary. Southwest Financial acts only as the depository for the account funds and has no duty to monitor the account or the status of the designated fiduciary(ies) or beneficiary(ies). If more than one person is named as fiduciary on the account, Southwest Financial shall act on the signature of any one of them, without regard to the terms of any document governing the fiduciary's actions.

**Business Accounts.** Southwest Financial does not generally offer business accounts. In the event that Southwest Financial, in its sole discretion, approves an application for a business account, then the account is payable only to or on the order of the business and not to any individual director, shareholder, member, or partner of the business except as they may be a payee on a check or other item drawn on the account. If the account holder is a corporation, unincorporated association, limited liability company, limited liability partnership, partnership, sole proprietorship, or other entity holding an account in any capacity other than an individual capacity, each person signing the signature card or other account documents represents and agrees that:

- They are fully authorized to execute all documents in their stated capacity;
- They have furnished all documents necessary to demonstrate that authority;
- They will furnish any other documents in such form as Southwest Financial may request from time to time;
- All documents delivered to Southwest Financial in connection with the account are true, accurate, complete, and will be kept up to date and may be conclusively relied on by Southwest Financial;
- Southwest Financial will have no responsibility or duty to monitor the account or the use of funds paid from it or any liability for any act or omission by any such person.
- The account will not be used either directly or indirectly in any internet gambling business or for any restricted transactions as defined in Regulation GG, 12 CFR Part 233.
- The Notice of Withdrawals section does not apply to business accounts.

**Transfer of Ownership and Assignment.** You may not transfer or assign ownership of the account without Southwest Financial's written consent. Southwest Financial may require that the account be closed and a new account opened in order to transfer or assign ownership. A transfer that results from death, incompetence, marriage, divorce, attachment, or otherwise by operation of law will not be binding on Southwest Financial until Southwest Financial has received sufficient documentation of the transfer, as determined by Southwest Financial.

Southwest Financial is not liable for the validity or sufficiency of any assignment of the account. An assignment will be binding on Southwest Financial only if it is in a written instrument signed by all account holders and after Southwest Financial acknowledges the assignment in writing. The assignment will be subordinate to and subject to any right of Southwest Financial to collect from the account any debt you owe to Southwest Financial. Southwest Financial may require that any assignment be notarized.

**Authorized Signers and Agents.** Your account opening record or other documentation provided to Southwest Financial identifies who is authorized to make withdrawals, write checks, transfer funds, stop payments, obtain ancillary services, and otherwise give Southwest Financial instructions regarding your account. Southwest Financial may act on the signature or instruction of any one of the authorized signers on your account.

### **SHARE CERTIFICATE ACCOUNTS**

**Share Certificate.** Your share certificate is a non-certificated account, which means that you will not receive an actual certificate. Your share certificate account is not negotiable, not assignable, and not transferable. See Southwest Financial's current Truth-in-Savings Disclosure and Service Fee Schedule for initial deposit and minimum balance requirements, current annual percentage yields, and other fees or terms that may affect your account.

**Renewals.** Unless otherwise noted in the Truth-in-Savings Disclosure, your account will automatically renew at the end of each term, on the maturity date, at the current annual percentage yield and interest rate offered on the maturity date for accounts of similar balance and terms. You must notify Southwest Financial within ten calendar days after the maturity date if you do not want your account to renew (the Grace Period). If the tenth calendar day after the maturity date is a nonbusiness day (Saturday, Sunday, or federal holiday), the Grace Period will end on the immediately preceding business day. You may withdraw funds without penalty during the Grace Period. Southwest Financial reserves the right not to renew the account and will notify you prior to maturity in such case.

**Reinvest the Dividends and Dividend Payments.** You may choose to reinvest the dividends earned on your account or you may have Southwest Financial regularly pay out accrued dividends. For share certificate maturities of longer than one year, Southwest Financial will make any dividend payments at least annually. Annual percentage yields assume that dividends are reinvested and not paid out.

Generally, you may request that Southwest Financial pay out dividends monthly, quarterly, or annually. Contact Southwest Financial for dividend payment options available for your share certificate. Dividend payments will reduce earnings on the account. If you choose to receive dividend payments, Southwest Financial may require the dividend payments to be made electronically.

**Early Withdrawals.** Your share certificate has a maturity date. Any withdrawals before the maturity date require Southwest Financial's consent. Unless otherwise noted in the Truth-in-Savings Disclosure, there is a penalty for withdrawing funds from your share certificate before the maturity date. Early withdrawal penalties are shown in the Service Fee Schedule. Southwest Financial, in its sole discretion, may waive an early withdrawal penalty as permitted by law.

If Southwest Financial consents to an early withdrawal, Southwest Financial will withdraw dividends before principal. If your account has not earned enough dividends to cover the early withdrawal penalty,

Southwest Financial will deduct any dividends first and take the remainder of the penalty from your principal. If the withdrawal, including the penalty, will reduce the account below the required minimum balance, Southwest Financial may treat the request as a request to close the account and the penalty will be calculated based on the full account balance. Southwest Financial will use the dividend rate in effect to calculate the amount of the penalty. Southwest Financial adds the amount of any cash bonuses paid to you when you opened or reinvested the account to the early withdrawal penalty.

## **DIVIDENDS ON YOUR ACCOUNT**

**Dividend Rate Information.** The annual percentage yield (APY) is a percentage rate reflecting the total amount of dividends paid on an account, based on the dividend rate and the frequency of compounding for an actual (365/366 day) period.

**Dividends.** Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend posting period. In its discretion and at any time, Southwest Financial may change the basis for payment of dividends, the annual percentage yield, or may discontinue the payment of dividends. Southwest Financial may set maximum account balances upon which dividends will be paid, and set minimum account daily balances or average daily balances below which Southwest Financial will not pay dividends.

**Share and Share Draft (Savings and Checking) Accounts.** Dividends are compounded and credited monthly. Dividends are calculated on the full amount in the account each day, subject to balance requirements. If you close your account prior to dividends being paid, you will forfeit any accrued dividends.

**Share Certificates.** Dividends begin to accrue on the business day Southwest Financial receives your deposit and records that deposit on its records at Southwest Financial's corporate office. Dividends are calculated on a monthly basis. If dividends are reinvested, they will be credited and compounded on a monthly basis. Southwest Financial uses the daily balance method to calculate dividends on your account. This method applies a daily periodic rate to the balance in the account for each day. For fixed rate certificates, the dividend rate will not change throughout the term of your certificate.

## **DEPOSITS AND CASHED ITEMS**

**Processing Transactions.** You agree that, except as stated in this Agreement, all deposit transactions between you and Southwest Financial will only be final and completed when entered on the records at Southwest Financial at its corporate office. Although Southwest Financial may provide you with provisional or interim deposit credit (such as through a shared branch or the use of an ATM machine), you agree that any deposit-related transaction remain conditional until accepted by Southwest Financial at its corporate office.

**Cashing Items or Accepting Items for Deposit.** Southwest Financial may accept a check or other item for deposit to your account from anyone. Southwest Financial has no obligation to question the authority of the person making the deposit. If your account is overdrawn, Southwest Financial will use the deposit to pay the overdraft and any fees you owe to Southwest Financial. All checks must be properly endorsed. Southwest Financial may refuse, accept for collection only, or return all or part of any deposit. Southwest Financial does not accept cash or coins for deposit through night depository, mail, or courier. Southwest Financial may refuse to accept for deposit to your account items which are

payable to another person. Southwest Financial acts only as your collecting agent for items deposited and Southwest Financial assumes no responsibility beyond the exercise of ordinary care, including care in selecting collecting banks. Southwest Financial is not responsible for errors and delays made by others in the collection process. If Southwest Financial has given you credit for an item and it is not paid for any reason, Southwest Financial may revoke the credit and charge the amount of the item back to your account plus any related fees, even if this causes your account to be overdrawn. You agree that you will not knowingly deposit items into your account that do not have either a true original signature of the person on whose account it is drawn or an authorized mechanical reproduction of that person's signature.

**Cashier's Checks.** If Southwest Financial cashes or accepts for deposit, a money order, cashier's check, teller's check, or similar item, and later learns that the item is fraudulent, counterfeit, or invalid for some other reason; Southwest Financial may charge your account for the amount of the item plus any related fees. This may occur even if Southwest Financial previously made the funds available to you or the chargeback overdraws your account.

**Deposits in Transit.** Southwest Financial will not be responsible for any deposit or other transaction during the course of delivery by mail, courier, or any other third party until the items or orders are actually received by Southwest Financial's personnel. Southwest Financial will not be liable for the negligence of any correspondent bank or institution for any loss incurred in transit when items are forwarded to correspondents. Southwest Financial will not be liable for any delay as a result of any interruption of communication facilities or any other circumstances beyond our control. Southwest Financial has the right to endorse all checks payable to you for deposit into your account.

**Checks Lost During Collection.** If a check is lost during the collection process, Southwest Financial may charge your account for the amount of the check. If the financial institution on which the check is drawn gives Southwest Financial a photocopy of the check, a substitute check, or a debit slip representing the check, Southwest Financial may charge your account for the amount of the check. A lost check may not be returned to Southwest Financial for some time. Despite any delay, Southwest Financial may charge your account when Southwest Financial receives either the returned check, a copy of the check, or a notice of return.

**Collection Items.** Southwest Financial may accept certain items – such as certain securities and checks payable in international currencies or at international locations – on a collection basis only. Southwest Financial routes and processes collection items separately. Southwest Financial normally credits your account for collection items only after Southwest Financial receives payment for them. If Southwest Financial credits your account and then does not receive payment, Southwest Financial may debit your account for the amount of the item. Southwest Financial may charge fees for processing collection items. These fees apply even if the collection item is returned unpaid. See the current Service Fee Schedule for current collection fees.

The financial institution on which the collection item is drawn may also charge you fees. If the other financial institution requires payment of a fee before that institution will process the collection item, Southwest Financial may pay the fee and charge your account. Otherwise, the other financial institution may subtract its fee from the amount of the payment Southwest Financial receives. These fees also may apply even if the collection item is returned unpaid.

**International Instruments.** Southwest Financial may refuse to accept, for deposit or collection, a check, draft, or other item that is payable in a currency other than U.S. dollars or that is drawn on a bank or a branch of a bank located outside of the United States (an international instrument). If Southwest Financial accepts an international instrument for deposit or collection, you bear all the risks associated with the collection process and international currency fluctuation (exchange rate risk). An international instrument may be returned unpaid much later than instruments that are drawn on banks located in the United States (sometimes several months after Southwest Financial processes the international instrument). You bear all the risks of a late return. Generally, Southwest Financial will not credit an international instrument to your account until Southwest Financial receives the proceeds in cleared funds from the paying bank. If Southwest Financial does provide credit, such credit is provisional and Southwest Financial may reverse the credit at any time if the international instrument is returned unpaid or is initially paid but then subsequently returned for any reason. You agree that Southwest Financial may use the then-current exchange rate for such reversals and Southwest Financial may charge your account for the full value of the international instrument, including any applicable fees, which may cause your account to be overdrawn.

You understand that international instruments sent for collection are sent solely for you and at your risk and that Southwest Financial is not liable for any event in the collection process which is beyond Southwest Financial's control, including a default by any banks or agents involved in the collection process or for loss of the international instrument in transit. Southwest Financial may send the international instruments directly or through a correspondent to any bank, including the payor. Southwest Financial may deduct both Southwest Financial's fees and the charges assessed by the payor bank and any agents involved in the collection process from the amount collected or from your account. If the collection is returned unpaid, Southwest Financial may mail the international instrument to you at the address on record for your account. Southwest Financial may also charge your account for the item at Southwest Financial's then current exchange rate and for a collection fee together with other charges assessed by the payor bank or any other party involved in the collection process.

**Demand Drafts and Remotely Created Checks.** If you deposit a demand draft or remotely created check (an unsigned draft or a preauthorized draft) into your account, you warrant and guarantee that the draft or remotely created check is authorized according to the terms on its face by the person identified as drawer.

**Deposit Methods and Provisional Credit.** You may deliver deposits through various methods. The method (for example, mail, online check deposit, shared branch, or ATM, etc.) and time of delivery determines when you receive provisional or final credit for the deposit. If you make your deposit through a mechanical or automated depository such as an ATM, you agree to exercise due care in opening, closing, and properly securing the depository. If Southwest Financial provisionally credits your account for the amount of the item, the credit is subject to Southwest Financial's subsequent verification. Southwest Financial's determination of the amount of your deposit is final and binding.

**Deposit Verification.** Upon receipt of your deposits, Southwest Financial may provisionally credit your account for the amount declared on your deposit slip, subject to later verification. You must ensure that the amount declared on the deposit slip is correct even if you did not prepare it. If Southwest Financial later determines that the amounts declared on the deposit slip are incorrect, Southwest Financial may adjust (debit or credit) your account. Southwest Financial reports adjustments on your account statement.

**Endorsing Checks.** Southwest Financial may require your personal endorsement before accepting any item for deposit. Southwest Financial may require that checks and other items you want to deposit or cash be endorsed by all parties to whom the items are payable. Before accepting an item, Southwest Financial may require verification of any endorsement, either through personal identification or through an endorsement guarantee by another financial institution acceptable to Southwest Financial.

Checks and other items being deposited electronically may require a restrictive endorsement. Such as, you may be asked to endorse electronically deposited items as “For mobile deposit only to Southwest Financial”.

You must endorse checks in the area that extends 1.5 inches from the trailing edge of the back of the check. The trailing edge is the left side of the check when you look at it from the front. If you endorse a check outside of this area, if you mark or otherwise obscure other areas of the check, or if your endorsement is illegible or incomplete, you agree to assume responsibility for and to indemnify Southwest Financial for any loss, delay, liability, claim, or damage which occurs as a result.

**Identifying the Account.** You must correctly identify the account to which you want funds deposited. You are responsible for any claim, cost, loss, or damage caused by your failure to properly identify the account to which a deposit is made or intended to be made. Southwest Financial may credit an account based solely on the account number listed on the deposit slip or other instruction to credit an account, even if the name on the deposit slip or other instruction differs from the name on the account. If you fail to designate an account suffix, Southwest Financial may deposit into any account in which you have ownership, including a joint account.

**Overpayments and Reversals.** If funds to which you are not entitled are deposited to your account by mistake or otherwise, Southwest Financial may deduct these funds from your account, even if the deduction results in an overdrawn account or overdraft. Southwest Financial can do this without giving you any prior notice or demand.

**Returned Items.** If a cashed or deposited item is returned to Southwest Financial at any time and for any reason, including for any breach of warranty claim, or according to any law, regulation, or rule (including a clearinghouse rule), by the bank on which it is drawn or any collecting bank, Southwest Financial may accept that return and charge the item back against your account without regard to whether the other bank finally paid the item or returned the item in accordance with any applicable midnight deadline or clearinghouse rule. Southwest Financial may debit your account for any dividends you may have provisionally earned on the item. Southwest Financial may charge you a fee for **each time** a check, automated clearing house (ACH), or debit transaction (and any other type of item) is presented or payment is otherwise requested.

If a previously returned item is resubmitted for payment multiple NSF fees may be charged on the same transaction if sufficient funds are not available to pay the item upon re-presentation. Different fees may apply to domestic and international items. Southwest Financial may debit your account for a returned item, including an indemnified copy of the original item, or an image replacement document (IRD), at any time on or after the business day it is returned to Southwest Financial by electronic, automated clearinghouse (ACH) or other means, or on the business day we receive notice that the item is being returned to Southwest Financial – whichever is earlier. Southwest Financial is not liable for any action or inaction to recover payment of a returned item.

If one of your cashed or deposited items has been paid by the financial institution on which it is drawn and is later returned to Southwest Financial with a claim that there is a breach of warranty (for example, it bears a forged or missing endorsement or is altered in any way), that the item is counterfeit, bears an unauthorized signature, contains an encoding error, or should not have been paid for any other reason, Southwest Financial may debit your account for the amount of the item, plus any associated fees, and pay the amount to the claiming party. If you do not have sufficient funds to cover a returned item, Southwest Financial may overdraw your account and charge an overdraft fee. Southwest Financial is not liable to you if there are insufficient available funds to pay your items because Southwest Financial withdraws funds from your account or in any way restricts your access to funds due to a hold or debit to your account in connection with a returned item. You agree to immediately repay an overdraft caused by a return of a cashed or deposited item.

In some cases the financial institution on which the returned check or other item is drawn may send an electronic notice of return, an indemnified copy of the original, or an image replacement document (IRD), instead of returning the item. Southwest Financial may act on, and you agree to be bound by, the electronic notice of return, or indemnified copy, or IRD just as if the original item had been returned.

**Substitute Checks.** You agree that you will not deposit substitute checks as defined by federal law or Image Replacement Documents (IRD) that purport to be substitute checks. If you deposit such an item and Southwest Financial agrees to accept it, you give Southwest Financial the same warranties and indemnities that Southwest Financial, as a reconverting bank would give under applicable law or regulation and you agree to reimburse Southwest Financial for claims, losses, costs, and damages Southwest Financial may incur. If you provide Southwest Financial with an electronic representation of a substitute check for deposit into your account instead of an original check, you agree to reimburse Southwest Financial for all claims, losses, costs, and damages Southwest Financial incurs because the substitute check resulting from the electronic representation does not meet applicable substitute check standards or causes duplicate payments.

**Unattended Banking Facility.** You agree to exercise due care in using any ATM or night depository and you agree that such use shall be at your own risk. Southwest Financial shall not be responsible for any losses or damages sustained by you while utilizing such facility, unless the loss or damage is the result of our gross negligence or willful misconduct.

## **WITHDRAWALS AND CHECKS**

**Processing Transactions.** Transactions that you perform are not completed until Southwest Financial processes them at its corporate office, even though Southwest Financial may provide you with provisional credit. You agree that it will be your responsibility to verify the accuracy of information appearing on any checks, deposit slips, or other forms, and you agree that Southwest Financial will not be liable for any printing errors on any such forms.

**Check Legends, Restrictions, or Notations.** Southwest Financial has no duty to honor and may disregard any information on a check. Additionally, Southwest Financial has no duty to visually inspect signatures on checks or other withdrawal items. If Southwest Financial does pay or accept checks or other items bearing restrictions or notations (such as "Void after 180 days", "Not valid over \$50.00", "Payment in full," and the like), you agree that such restrictions or notations apply only between you and the payee or maker of the check. The notation will have no effect on Southwest Financial, and you agree to accept responsibility for payment of the item and Southwest Financial is not liable to you for

any claims, costs, losses, or damages that result from the placement of these restrictions or other notations on checks or other items, or from Southwest Financial's disregarding them.

**Order of Check and Item Processing.** Southwest Financial may accept, pay, certify, or charge to the appropriate account checks and other items in any order it chooses. An "item" includes a check, substitute check, purported substitute check, electronic item or transaction, draft, demand draft, remotely created item, image replacement document, indemnified copy, ATM withdrawal or transfer, point-of-sale transaction, preauthorized payment, automatic transfer, telephone-initiated transfer, ACH transaction, online banking transfer or bill payment instruction, withdrawal slip, in-person transfer or withdrawal, deposit adjustment, any other instruction or order for the payment, transfer or withdrawal of funds, and an image or photocopy of any of the foregoing.

Southwest Financial may establish different processing orders for checks and other items. Southwest Financial may establish categories for checks and other items. A category may include more than one type of item. Southwest Financial may establish a processing priority for each category. For example, Southwest Financial may treat ATM withdrawals and loan payments as one category and checks as another category and then process ATM withdrawals and loan payments before checks. Within each category, Southwest Financial may process checks and other items in any order it chooses.

Southwest Financial currently processes checks and other items according to certain categories and priorities. If there are not enough available funds to cover all of the checks and other items processed on any given day, these categories, priorities, and processing orders may result in more insufficient funds items and more fees than may have resulted if Southwest Financial had used another processing order. Southwest Financial may choose its processing orders in its sole discretion and without notice to you, regardless of whether additional fees may result.

Southwest Financial may, in its sole discretion, change its priorities, categories, or orders at any time without notice to you. Even if Southwest Financial provisionally posts checks or other items to your account during the day, Southwest Financial may treat them as if Southwest Financial received all of them at the end of the day and process them in any order it chooses. Southwest Financial does not necessarily process transactions in the order in which they occurred. Our Processing Policy is available to view in our Service Fee Schedule.

**Collection Items.** When you do not have enough funds in your account for Southwest Financial to process a collection item drawn on your account, Southwest Financial may charge you an overdraft or nonsufficient funds (NSF) fee.

**Examining Checks.** Southwest Financial uses automated check processing procedures. In accordance with standard industry practice, Southwest Financial does not review every check processed. This means that most checks are processed on the basis of the MICR (Magnetic Ink Character Recognition) line printed along the bottom edge of the check, and are not individually examined for dates, maker signatures, legends, or endorsements. You agree that Southwest Financial will have exercised ordinary care if Southwest Financial examines only those items that Southwest Financial has identified according to certain minimum criteria which Southwest Financial may establish for inspection.

You agree to promptly review your account statement, and immediately report any suspicious or unauthorized activity to Southwest Financial. You agree that automated processing of your checks is reasonable and that you accept responsibility for preventing and reporting forgeries, alterations, and

other unauthorized uses of your checks or accounts. You agree that the exercise of ordinary care will not require Southwest Financial to detect forgeries or alterations that could not be detected by a person observing reasonable commercial standards.

Southwest Financial may elect, in its sole discretion, to make further inquiries about certain checks or other paper items which are presented for payment against your account. If Southwest Financial is unable to contact you, or take other steps to determine with reasonable certainty that you authorized these payments, Southwest Financial may return the checks or other paper items unpaid, and Southwest Financial will not have any liability to you with respect to these items.

**Facsimile Signature.** If you use an automatic check writing service, a facsimile signature, or otherwise do not provide your personal signature on a check, you agree that you shall have sole responsibility for maintaining the security of any computer, stamp, or other device by which your signature is affixed and that you shall bear the entire risk of unauthorized use of such service or device, whether or not you are negligent. You also agree that the treatment of each check presented against your account through the use of such a service or device and Southwest Financial's rights and obligations with regard to such check will be the same as if you personally signed or initiated the check. You are responsible even if the size or color of the facsimile signature is different from that of any signature previously presented to Southwest Financial. Southwest Financial may pay the withdrawal and may charge your account for it. You agree to indemnify and hold Southwest Financial harmless (and Southwest Financial may charge your account) for all claims, costs, losses, damages, liability, or expenses, including attorneys' fees, that Southwest Financial may suffer or incur as a result of the unlawful use, unauthorized use, or misuse by any person of any such service or device.

**International Currency.** You may not write checks or other withdrawal orders on your account that order payment in an international currency.

**Freezing Your Account.** If Southwest Financial suspects that irregular, unauthorized, or unlawful activities may be involved with your account, Southwest Financial may "freeze" (or place a hold on) the balance in your account and in other Southwest Financial accounts in which you have an ownership interest, without any liability to you, pending an investigation of such suspected activities. If Southwest Financial freezes your account, Southwest Financial will give any notice required by law.

**Official Check Withdrawals.** Southwest Financial may require a written and signed request to withdrawal funds from your account. Additionally, Southwest Financial may utilize out of band questions to verify your identity. Southwest Financial may require reasonable advance notice for large check withdrawals. In addition, Southwest Financial may refuse to honor a request to withdraw funds if Southwest Financial believes that the amount is unreasonably large or that honoring the request would cause Southwest Financial an undue hardship or security risk. Southwest Financial is not responsible for providing for your security in any such transactions.

**Notice of Withdrawals.** Southwest Financial may require ten days advance notice to withdraw or transfer funds from any account.

**Multiple Signatures.** Southwest Financial may transfer funds between your accounts and take other action on the verbal or written instructions of any authorized signer on your account. Southwest Financial may require written authorization for some actions. Southwest Financial only offers accounts which require one signature for a withdrawal. Even if you indicate on your checks or signature card or

other account documents that more than one signature is required for withdrawal, you authorize Southwest Financial to pay out funds from your account if the check, item, or other withdrawal instruction is signed or approved by any one of the persons authorized to sign on the account.

**Paying Checks and Other Items.** Southwest Financial may debit your account for a check or other item drawn on your account either on the day it is presented to Southwest Financial for payment, by electronic or other means, or on the day Southwest Financial receives notice that the item has been deposited for collection at another financial institution, whichever is earlier. If you do not have sufficient available funds to cover the item, Southwest Financial decides whether to return it or to pay it and overdraw your account.

Southwest Financial may determine your balance and make its decision on an insufficient funds item at any time between Southwest Financial's receipt of the item or notice and the time Southwest Financial must return the item. Southwest Financial is required to determine your account balance only once during this time period.

**Returned or Unpaid Items.** If Southwest Financial decides not to pay a check or other item drawn on your account, Southwest Financial may return the original or a copy of the item or send an electronic notice of return and keep either the original or a copy of the item in Southwest Financial's records. If Southwest Financial sends an electronic notice of return, you agree that any person who receives that electronic notice may use it to make a claim against you to the same extent and with the same effect as if Southwest Financial had returned the original item.

**Sample Signature.** If Southwest Financial elects to review an item, Southwest Financial may refer to a check or other document upon which your signature appears in order to determine the authenticity of your signature. Southwest Financial may use an automated process to reproduce and retain your signature from a check or other document on which your signature appears. If you create your own checks, or obtain them from someone else, and Southwest Financial cannot accurately verify your signature on a check by comparing it with a check that posted to your account, you are responsible for any losses that may result from Southwest Financial's inability to use that check to verify your signature.

**Postdated, Incomplete, or Conditional Checks.** You agree not to issue postdated, incomplete, or conditional checks, or to present them for deposit to your account. Southwest Financial has no duty to discover, observe, or comply with postdated, incomplete, or conditional checks, or checks more than six months old. Southwest Financial shall not be liable for accepting for deposit, paying, refusing to pay, or rejecting any such item.

**Substitute Checks, Indemnified Copies, Images, and Image Replacement Copies.** In some cases, Southwest Financial may receive an indemnified copy of your original check, an image replacement document (IRD), a substitute check, or an image of your check, instead of the original item. Southwest Financial may act upon presentation of an IRD, indemnified copy, substitute check, or image of your check and pay these items against your account, just as if the original item had been presented.

## **NON-SUFFICIENT FUNDS, OVERDRAFTS, OVERDRAFT PROTECTION AND COURTESY PAY**

**Non-Sufficient Funds and Overdrafts.** An overdraft occurs when your account balance has been drawn into the negative. This can happen due to (i) drawing more funds than are available in the account, (ii) deposits returned to us and charged back to the account, and (iii) fees or other charges charged to the account. You can avoid fees for overdrafts and declined or returned items by making sure your account

always contains sufficient available funds to cover all of your transactions. Southwest Financial offers Overdraft Protection and Courtesy Pay programs to protect against overdrafts and returned items. See the Overdraft Protection Program and Courtesy Pay Program sections for more information and the Service Fee Schedule for fees which may apply.

**Overdrafts and Returned Items.** When Southwest Financial determines that you do not have enough available funds in your account to cover an item, then Southwest Financial considers the item an insufficient funds item. If you have not explicitly opted-out of the Overdraft Protection program, Southwest Financial will transfer funds to cover the item when it is presented for payment from your protecting accounts, if available. Otherwise, without notice to you, Southwest Financial either authorizes or pays the insufficient funds item and overdraws your account (an overdraft item) or declines or returns the insufficient funds item without payment (a returned item). If a fee is charged to your account and creates an overdraft, or if a returned deposit item creates an overdraft, Southwest Financial may also treat those transactions as insufficient funds items.

Southwest Financial pays overdrafts in its sole discretion. This means that Southwest Financial does not guarantee it will always, or ever, authorize and pay items. If Southwest Financial overdraws your account to pay items on one or more occasions, Southwest Financial is not obligated to continue paying future insufficient funds items. Southwest Financial may pay all, some, or none of your overdrafts, without notice to you. If Southwest Financial does not authorize and pay an overdraft, then Southwest Financial will decline or return the transaction as unpaid.

The Service Fee Schedule explains when Southwest Financial charges fees for overdrafts and for declined or returned items and the dollar amount of the fees. You should review the Service Fee Schedule carefully. If Southwest Financial overdraws your account to pay an insufficient funds item, you agree to repay Southwest Financial immediately, without notice or demand from Southwest Financial. Southwest Financial may use subsequent deposits or credits to the account, including without limitation deposits of government, welfare, retirement, and Social Security benefits, to pay any overdraft you owe Southwest Financial, to the fullest extent permitted by law. You understand and agree that if you do not want such benefits applied in this way, you may change your direct deposit instructions to the benefits payor at any time.

Each account holder is jointly and severally responsible for paying any overdrafts created by an authorized signer or party to the account, whether or not the account holder participates in the transaction or benefits from its proceeds. Southwest Financial may cover any overdraft by debit to any other checking, savings, or time deposit account of any account holder without notice to the account holder, but Southwest Financial is not obligated to do so. You agree to pay all costs and expenses, including attorney's fees, which Southwest Financial incurs in the collection of any overdraft.

**Impact of Holds.** Sometimes funds in your account are not available to cover your items. When Southwest Financial determines that funds in your account are subject to a hold, dispute, or legal process, then these funds are not available to cover your items. Southwest Financial usually makes this determination at time items are processed. Holds may include check deposit holds, authorization holds for debit card transactions, and any other type of hold placed on the account.

Refer to Order of Check and Item Processing for additional information about how the payment order of transactions can affect overdrafts.

Debit card transactions and related authorization holds 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, you authorize the merchant with whom you use your card or to whom you previously provided your information to ask Southwest Financial to approve the transaction you want to make. At this time, in order for the transaction to go through, Southwest Financial must promise the merchant to pay for the purchase upon the merchant's request. Currently Southwest Financial's practice is to decline these transactions at the time the merchant requests authorization if there are not sufficient available funds in your account, including any overdraft protection, to pay for the transaction **unless** you have previously opted-in to Courtesy Pay and the funds are available up to your Courtesy Pay limit. If you have opted-in to Courtesy Pay, and no other source of overdraft protection is available, items may be paid at Southwest Financial's sole discretion.

If Southwest Financial authorizes the transaction, a hold immediately reduces the amount of available funds in your account by the amount of the authorization request. 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 or an ACH you previously authorized), those items may overdraw your account or be returned unpaid. This may result in a fee charged to your account. In most cases the hold on the debit card transaction amount expires when the transaction is paid; however, holds can continue for up to three business days after the transaction is paid, if the merchant does not release the hold and for some types of transactions up to 30 business days.

If the authorization hold expires and the transaction has not yet been presented to us for final payment by the merchant or financial institution, the authorization hold amount is returned to the available balance. However, the merchant or financial institution can still present the transaction for payment after the authorization hold expires. If we determine that your account's available balance is no longer enough to pay for the debit card transaction once it is presented to us for final payment by the merchant or financial institution, an overdraft may result.

If other account activity has caused the balance in your account to drop below zero 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 Southwest Financial must honor the promise to pay the merchant. You may incur a fee when this happens.

What are items? Items include all orders and instructions for the payment, transfer, or withdrawal of funds from your account. An item includes a check, draft, image, substitute check, everyday non-recurring debit card transaction, recurring debit card transaction, ACH transaction, ATM transaction, preauthorized payment, automatic transfer, telephone-initiated transfer, online funds transfer or bill payment transaction, withdrawal slip, and in-person payment, transfer or withdrawal instruction. For more examples, please see the Glossary.

What are every day non-recurring debit card transactions and what are recurring debit card transactions? Everyday non-recurring (one-time) debit card transactions are usually purchases made with your debit card or debit card number on a one-time or day-to-day basis. As examples, you use your debit card for purchases of groceries, gas, or meals. Recurring debit card transactions are usually transactions that you set up to occur automatically, such as automatic bill payments. Southwest Financial relies on the merchant processing the transaction to determine if it is a recurring transaction or an everyday nonrecurring transaction.

**Overdraft Protection Program.** Southwest Financial's overdraft protection program permits transfers from your savings account to your checking account to cover overdrafts. While this is a discretionary service, all of our checking accounts are automatically enrolled and linked to your primary savings account at the time of account opening. You may also elect to add multiple protecting accounts such as another Southwest Financial savings account, checking account, credit card, or line of credit. You may elect to opt-out of the overdraft protection program by notifying us in writing. If you choose to opt-out of the overdraft protection program and funds are not available in your checking account to pay your item but are available in your savings account, no funds will be transferred and the item will be returned and you may be charged a fee according to the Service Fee Schedule.

You must be an account holder of the account selected as the protecting account. An overdraft occurs when you do not have enough funds in your protected checking account to cover a transaction, but we pay it anyway. Through automatic enrollment, you authorize and direct Southwest Financial to automatically transfer funds from your protecting account(s) in order to permit Southwest Financial to honor the item(s) presented for payment and help avoid overdrafts.

Southwest Financial credit card. If you have selected a Southwest Financial credit card for your protecting account, Southwest Financial will charge the credit card account as a cash advance in increments as shown in the Service Fee Schedule. The overdraft protection charge to your credit card is made under and is subject to the terms and conditions described in the applicable credit card agreement. The overdraft protection charge is subject to fees and finance charges under your credit card agreement. Southwest Financial is not obligated to charge the credit card account for a cash advance if the issuer of the protecting account disapproves the cash advance for any reason. If Southwest Financial cannot charge the credit card account for any reason and there is no other source of overdraft protection available, Southwest Financial may return any item drawn on the protected account. Southwest Financial may charge the credit card account for cash advances in excess of the credit card account's credit limit to permit payment of any item, but Southwest Financial is not obligated to do so.

Southwest Financial savings or checking account. If you have selected a Southwest Financial savings or checking account for your protecting account, Southwest Financial will transfer the exact overdraft amount from the available balance in the protecting account to the protected account. Funds you deposit into your protecting account may not be available immediately for overdraft protection transfers. Overdraft protection transfers are considered preauthorized transfers. Southwest Financial is not obligated to transfer funds from the protecting account if it has insufficient available funds. If the protecting account has insufficient available funds and there is no other source of overdraft protection available, Southwest Financial may return any item drawn on the account.

Southwest Financial line of credit or overdraft line of credit. If you have selected a Southwest Financial line of credit or overdraft line of credit for your protecting account, Southwest Financial will advance available funds in the exact overdraft amount from the protecting account and transfer the funds to the protected account. The advance is made under and is subject to the terms and conditions described in the applicable line of credit agreement. The advance is subject to fees and finance charges under the applicable line of credit agreement. Southwest Financial is not obligated to advance funds from the protecting account. Southwest Financial ordinarily makes the advance as long as you are not in default under the applicable line of credit agreement and as long as the advance does not cause you to exceed the amount of your available credit on your line of credit. If Southwest Financial cannot charge the

protecting account for any reason, Southwest Financial may return any item drawn on the protected account.

**Terminating Overdraft Protection.** Any account holder may terminate an overdraft protection plan at any time by giving Southwest Financial three business days' written notice. Southwest Financial will not waive or reverse any overdraft fees assessed prior to Southwest Financial's completion of your request. If you choose to opt-out of the overdraft protection program and funds are not available in your checking account to pay your item but are available in your savings account or another protecting account, no funds will be transferred and the item will be returned and you may be charged a fee according to the Service Fee Schedule. Southwest Financial may terminate your overdraft protection program at any time. For example, Southwest Financial may cancel your overdraft protection program if your account is closed, if your protecting account is closed, or if you are no longer an owner of this account or of the protecting account. Southwest Financial may terminate your overdraft protection program if Southwest Financial reasonably believes there is unusual overdraft protection activity for the protected account.

**Courtesy Pay Program.** Southwest Financial offers a discretionary courtesy pay program to all account holders in good standing with qualifying personal checking accounts. This service is not available to all checking account types. To enroll in Southwest Financial's courtesy pay program, you must opt-in and meet the courtesy pay qualifications. You may choose to opt-in at account opening or by notifying us in writing anytime thereafter. We may require you to use a special form when opting in after account opening. When you opt-in in writing, you must allow at least three business days for Southwest Financial to process your request. There is no fee to opt-in to courtesy pay. Refer to the Service Fee Schedule for fees associated with using courtesy pay.

**How Southwest Financial's courtesy pay program works.** When a transaction (check, ACH, ATM, or everyday debit card transaction) is presented for authorization or payment and the funds are not available in your account, and no other source of overdraft protection is available, Southwest Financial, at its discretion, may authorize the transaction up to your courtesy pay limit.

At its sole discretion, Southwest Financial may pay reasonable overdrafts as a non-contractual courtesy. Southwest Financial may refuse to pay an overdraft at any time, even though Southwest Financial may have paid previous overdrafts in the past.

Whether Southwest Financial pays or returns an insufficient funds transaction, a per presentment fee will be charged to your account as an insufficient funds fee or a courtesy pay fee, as set forth in the Service Fee Schedule. There is no additional fee for payment, in lieu of return.

This is a discretionary service. It is not Southwest Financial's obligation to provide this service or pay all overdrafts. Southwest Financial may refuse to provide this service on any account at any time and from time to time.

In the event that Southwest Financial pays a transaction on your account that you have authorized, you agree that your account in no event, shall remain overdrawn for a period to exceed 30 days. Your account may be subject to collection and closure at such time if the overdraft is not paid.

**Courtesy Pay Program Benefits.** By opting-in to Southwest Financial's courtesy pay program you can enjoy the convenience of having your transaction authorized when the funds are not available in your

account; peace of mind knowing that you have a lifeline in case of an emergency; avoid the embarrassment of having your transaction declined by a merchant plus you avoid additional fees that may be charged by the merchant.

Courtesy Pay service is discretionary and is not guaranteed. You should never depend on the courtesy pay service to pay your overdrafts at any time. This service is intended to cover occasional and inadvertent overdrafts and is subject to approval. The best way to avoid overdrafts is to always ensure you have sufficient available funds in your checking account to pay all of your transactions when presented.

Terminating Courtesy Pay. Any account holder may terminate participation in the courtesy pay program at any time by giving Southwest Financial three business days' written notice. Southwest Financial will not waive or reverse any courtesy pay fees assessed prior to Southwest Financial's completion of your request. If you choose to not opt-in or to opt-out of the courtesy pay program and the funds are not available in your checking account to authorize or pay your transaction and no other source of overdraft protection is available, your transaction will be declined or returned to the merchant and you will be charged a fee according to the Service Fee Schedule, plus any additional fees the merchant may charge. Southwest Financial may terminate your participation in the courtesy pay program at any time. For example, Southwest Financial may terminate your courtesy pay program if Southwest Financial reasonably believes there is unusual or abusive courtesy pay activity.

## **STATEMENTS AND NOTICES**

**Account Statements.** Southwest Financial will provide account statements at least quarterly. In general, Southwest Financial provides quarterly account statements on savings accounts and monthly account statements on transactional accounts. When there is no activity, Southwest Financial may choose to provide a statement on a quarterly basis.

**Check Copies.** Southwest Financial does not return cancelled checks to you. You can review and obtain copies of your recent checks at no cost at [swfinancial.org](http://swfinancial.org). You may request that Southwest Financial provide a copy of a check. Southwest Financial may charge you a fee for check copies according to the Service Fee Schedule.

When a copy is unavailable or of poor quality, Southwest Financial is not liable to you for any claim, cost, loss, or damage of any kind.

To obtain a check copy, you must provide your account number, plus at least one of the following:

- check number,
- exact amount of the check, or
- the date the check was paid.

Some checks that you write may be converted to electronic debits. In this case the check is not sent to Southwest Financial for processing, so Southwest Financial does not have a copy. These electronic debits are listed on your account statement.

**Notices.** Southwest Financial informs you of changes affecting your rights and obligations by providing notices to you. Southwest Financial may post such notices in its office or on its website. Southwest Financial may include notices with or on your account statement.

**Delivery of Statements and Notices.** Southwest Financial will send statements and notices to your last known address or make them available electronically. For accounts with more than one account holder, statements or notices sent or made available to any one account holder are deemed to be sent or made available to all account holders.

Southwest Financial may destroy or retain a statement or notice that is returned or that Southwest Financial determines to be undeliverable. Statements and notices are deemed delivered to you at the time they are returned to Southwest Financial or determined to be undeliverable. If a notice of a change to this agreement is returned to Southwest Financial or otherwise determined to be undeliverable, you agree that the change contained in the notice is still effective and binding on you.

**Examining Statements and Reporting Problems.** You agree to promptly and carefully review your account statement and any items reflected on the statement. You must report problems or unauthorized transactions to Southwest Financial immediately. You agree that 30 days after Southwest Financial sends a statement or makes items available is the maximum reasonable amount of time for you to review your statement or items and report any problem or unauthorized transaction related to a matter shown on the statement or items. Except as provided by law with respect to electronic funds transfers and substitute checks, if you do not notify Southwest Financial of suspected problems or unauthorized transactions within 60 days after Southwest Financial sends your statement or makes items available, you agree that you cannot make a claim against Southwest Financial relating to the unreported problems or unauthorized transactions, regardless of the care or lack of care Southwest Financial may have exercised in handling your account. In addition, if you fail to report an unauthorized transaction on your account within 30 days following the closing date of the statement containing information about the first unauthorized transaction, Southwest Financial is not liable to you for subsequent unauthorized transactions on your account by the same person.

If there are any unauthorized transactions on your account (such as missing, stolen, or unauthorized checks), Southwest Financial may require you to close your current account and open a new one. If you do not do so, Southwest Financial is not liable to you for subsequent losses or damages on the account due to forgery, fraud, or other unauthorized use. When you open a new account, you are responsible for notifying any third parties that need to know your new account number.

If you report to Southwest Financial that a forgery, alteration, or other unauthorized transaction has occurred on your account, you agree to cooperate with Southwest Financial in the investigation and prosecution of your claim and any attempt to recover funds. You agree to provide Southwest Financial with an affidavit containing the information Southwest Financial requires concerning the transaction. Southwest Financial may deny your claim if you fail to provide Southwest Financial with any affidavit it requires. You also agree to assist Southwest Financial in identifying and prosecuting the suspected wrongdoer(s).

You agree that Southwest Financial has a reasonable period of time to investigate the facts and circumstances surrounding any claimed loss and that Southwest Financial has no obligation to provisionally credit your account, unless otherwise required by law. Southwest Financial's maximum liability is the lesser of your actual damages proved or the amount of the missing deposit or the forgery, alteration, or other unauthorized withdrawal, reduced in all cases by the amount of the loss that could have been avoided by your use of ordinary care. Southwest Financial is not liable to you for special or consequential losses or damages of any kind, including loss of profits and opportunity or for attorneys' fees you incur.

You agree that no legal action may or will be initiated by you against Southwest Financial seeking the recovery of any alleged loss as a result of the payment of a forged, unauthorized, or altered item or as a result of any missing or diverted deposit, or due to any other error or discrepancy unless you have provided us with notice within the period prescribed above and any such legal action shall have been instituted within two years after the date that the statement containing any such error was mailed or otherwise made available to you. Refer to the Electronic Banking Services section of this agreement to determine your obligations in the event of unauthorized electronic fund transfers or other errors in connection with such transfers. You may also contact Southwest Financial for more information about your rights with respect to substitute checks.

## **FUNDS AVAILABILITY**

### **WHEN DEPOSITS ARE AVAILABLE FOR WITHDRAWAL**

**Remote Deposit Capture and Similar Services.** The availability periods described in this section do not apply to funds submitted through Southwest Financial's MoBi check deposit, other remote check deposit or remote deposit capture services, ACH debit transactions (where Southwest Financial drafts funds from (debits) a non-Southwest Financial account for deposit into your Southwest Financial account), or other similar services.

**Person-to-Person Services.** In most cases, transfers of money you receive through person-to-person services will generally be available the same business day Southwest Financial receives credit for those items. This timeframe may vary based on the sender. We suggest that funds be sent to you well in advance if the funds will be needed for ACH and check processing to reduce the risk of insufficient funds in your account.

**Your Ability to Withdraw Funds.** Southwest Financial's goal is to make funds from your deposits available to you on the business day that we receive your deposit. Electronic direct deposits will be available on the effective date of your deposit. Your availability to withdraw funds deposited into your account generally depends on the kind of deposit and when Southwest Financial receives the deposit. Once funds are available from your deposit, you can withdraw the funds and Southwest Financial will use the funds to pay checks and other transactions that you may have authorized on your account.

**Longer Delays May Apply.** In some instances, Southwest Financial will not make all of the funds that you deposit available to you immediately. Depending on the type of check that you deposit, funds deposited to your checking account may not be available until the second business day after the day of your deposit. However, the first \$275 of your deposit will be available the next business day, excluding deposits made through at a shared branch, deposit taking ATM, or MoBi check deposit.

If Southwest Financial is not going to make all the funds from your deposit available on the first business day, we will notify you and tell you when the funds will be available. If Southwest Financial is unable to reach you, Southwest Financial will send you a written notice by the business day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask Southwest Financial when the funds will be available.

In addition, for deposits made by check, availability of the funds may be delayed for a longer period under the following circumstances:

- Southwest Financial believes a check you deposited will not be paid.
- You deposited more than \$6,725 on any one business day.
- You re-deposit a check that has been returned unpaid.
- One or more of your accounts has been overdrawn repeatedly in the last six months.
- There is an emergency, such as computer failure or communications equipment.

Southwest Financial will notify you if Southwest Financial delays your availability to withdraw funds for any of these reasons and will tell you when the funds will be available. Funds will generally be available no later than the seventh business day after the day of your deposit.

**Determining When A Deposit Is Received.** For determining the availability of deposits, every day is a business day except Saturdays, Sundays, and federal holidays.

Deposits at Shared Branch, Online Check Deposit, and ATM. If you make a deposit and we receive it on a day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit at a shared branch or MoBi check deposit, after closing or on a day that we are not open, we will consider that the deposit was made on the next business day we are open. Saturdays are not considered in determining the day a hold will be released.

Southwest Financial does not own any ATMs. If you make a deposit at a participating ATM, funds may be delayed up to five business days.

Mailed Deposits. When you mail your deposits, Southwest Financial will consider the deposit made on the day Southwest Financial receives the deposit in its corporate office.

Night Depository. If you make a deposit in a night depository designated for Southwest Financial deposits, Southwest Financial considers the deposit made on the day it receives the deposit in its corporate office, or such time as may be posted on the deposit box.

**Special Rules for New Accounts.** If you are a new account holder, special rules may apply during the first 30 days your account is open.

- Funds received electronically through an ACH credit, deposits of cash, wire transfers, and the first \$6,725 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first business day after the day of deposit if the checks are payable to you. The excess over \$6,725 will be available on the ninth business day after the day of deposit. If your deposit of these checks (other than U.S. Treasury checks) is not received by an actual Southwest Financial employee, the first \$6,725 will not be available until the second business day after the day of deposit.
- Funds from all other check deposits will generally be available no later than the fifteenth business day after the day of deposit.

**Holds on Other Funds.** If Southwest Financial cashes a check for you that is drawn on another bank, Southwest Financial may withhold the availability of a corresponding amount of funds that are already in your account. If Southwest Financial accepts for deposit a check that is drawn on another financial institution, Southwest Financial may make funds from the deposit available for withdrawal immediately, but delay your ability to withdraw a corresponding amount of funds that you have on deposit in another account with Southwest Financial. In either case, Southwest Financial will make these funds available in accordance with the policy described above for the type of check that was cashed or deposited.

**Other Provisions of this Agreement.** Southwest Financial's making funds available to you does not waive any of Southwest Financial's rights under the law of this Agreement. Among other things, this means that making funds provisionally available is not final until processing is completed and entered on Southwest Financial's records at its corporate office.

## **ELECTRONIC BANKING SERVICES**

**Electronic Services.** Southwest Financial provides a variety of funds transfer (EFT) services for accounts. These include all transfers resulting from using a debit card, ATM card, card free cash, electronic payments, credits and transfers (excluding wire transfers), telephone transfers, and online banking transactions. Southwest Financial may issue you an access device in connection with the use of any EFT services. The access device may be a card, PIN, code, or other means of accessing your account to initiate EFTs. All EFT services will be governed by these terms and any additional agreements or disclosures provided at the time an EFT service is requested. If there is any conflict between these terms and any additional term, the additional terms will prevail.

Any authorized signer on an account may apply for EFT services on behalf of all authorized signers.

**Event of Unauthorized Transfer.** If you believe your access device (e.g., card, PIN, code, account credentials, etc.) has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call:

(214) 630-7111 or (800) 472-3272 (after hours)

or write to:

Southwest Financial Federal Credit Union  
1750 Valley View Lane, Suite 110  
Farmers Branch, TX 75234

You should also call or write if you believe a transfer has been made using the information from your check without your permission. Calling us as soon as possible is the best way to keep your possible losses down. You may also call the local number above for error resolution and to verify if a direct deposit has been made.

**General Information.** You agree to use any debit card, ATM card, card free cash, or other device or code Southwest Financial provides for access to your account only in the manner and for the purposes described below and in any applicable agreement. If you attempt to use the card or code in any other manner or for any other purpose, Southwest Financial may reject the transaction, or at its discretion Southwest Financial may complete it without incurring any obligation to honor the same type of transaction on future occasions. Southwest Financial may decide not to issue a card or code to any person, and Southwest Financial may terminate a card or code at any time without cause or notice.

**Safeguarding Your Information.** You are responsible for maintaining the confidentiality of your account authentication credentials (username, password, tokens, PINs, codes or other) and for restricting access to your devices capable of accessing your accounts (computer, tablet, phone or other). If you provide authentication credentials to another person, any account or transaction activity by that person, or others who may receive your credentials due to your sharing, shall be deemed authorized activity and you will be held responsible for that activity. You agree to notify us promptly of any unauthorized use of

your account authentication credentials or breach of security. We may terminate your digital access to protect your interest or Southwest Financial's interests at any time.

Types of Transactions. You can perform the following transactions with any debit card, ATM card, or other device or code, depending on the accounts and services associated with your account:

- Withdraw cash from your checking or savings account.
- Make deposits to your checking, or savings account at a participating, deposit accepting ATM only.
- Transfer funds between your checking and savings accounts.
- Pay for purchases at places that have agreed to accept Southwest Financial's debit card, other device or code.
- Obtain account balance information. (These transactions are not covered by the error resolution or liability provisions of this section. Balance information may not reflect recent transactions and may include funds that are not available for immediate withdrawal.)
- Obtain non-ATM cash at any financial institution that honors Southwest Financial's debit card.
- Pay bills directly from your checking account by telephone or on swfinancial.org.

Southwest Financial's debit card is currently accepted at most merchant locations and at certain other institutions. Some services may not be available at all ATM or point-of-sale (POS) terminals. Please notify Southwest Financial in advance if you plan on traveling or using your card outside of the United States.

Limitations on Transfers, Amount, and Frequency of Transactions. Southwest Financial places limits on the amount of cash withdrawals, cash advances, and point-of-sale transactions available to you each day. See the Service Fee Schedule for the current limits. There are daily limits on transferring of funds. Contact Southwest Financial for further details. For security reasons, there may be times when Southwest Financial further limits these amounts. If your account is not in an active status, Southwest Financial may temporarily suspend access to your account by use of your ATM or debit card. Different limits may apply at individual ATM terminals.

#### **Automated Teller Machine (ATM) Cards and Debit Cards.**

Terms of Transactions. By using your ATM or debit card, you agree to the following terms:

- Your card remains Southwest Financial's property and must be surrendered to Southwest Financial upon request.
- Southwest Financial may cancel or replace your card at any time without notice.
- You will notify Southwest Financial promptly of the loss of your card.
- You will not reveal your card or any access code associated with your card (personal identification number or PIN) to any person not authorized to use your card. If you permit another person to use your PIN or account number(s) and related code(s), you are responsible for all transactions conducted by that person (even if he or she exceeds your authorization), until you notify Southwest Financial that the person is not authorized so that Southwest Financial may block the codes and issue new ones.
- You will not write your PIN on your card or on any item kept with your card.
- For merchant purchases, Southwest Financial has the right to place a temporary hold on your account in an amount equal to the authorization amount received through the payment authorization system. In certain circumstances, the payment authorization system permits the authorization amount Southwest Financial receives to be more or less than the final amount of the transaction. This typically happens when the final amount of your purchase is not known at the moment when you or the merchant "swipes" your card for authorization. In this situation, Southwest Financial reserves the right to place a temporary hold on your account in an amount

Southwest Financial determines is reasonable based on the type of the transaction. Until the transaction finally settles, or Southwest Financial determines that it is unlikely to be processed, the funds subject to the hold will not be available to you for other purposes. Southwest Financial will only charge your account for the amount of the final transaction, and will release any excess amount when the transaction finally settles.

- Southwest Financial has the right to refuse a transaction on your account when your card has been reported lost or stolen, or when Southwest Financial reasonably believes there is unusual activity on your account.
- If you use your card to access an account that is no longer available to complete a transaction, Southwest Financial may, in its sole discretion, charge or credit the transaction to another account.
- If you use your card to access an account that does not have sufficient funds to complete a transaction or that would exceed the daily authorization limit attached to your card, Southwest Financial may, in its sole discretion, authorize the transaction. If Southwest Financial authorizes a transaction that overdraws your account, Southwest Financial may assess a fee for any overdraft against your account. Southwest Financial's current practice is to decline ATM and POS debit card transactions if there are not sufficient available funds in the account. Refer to Non-Sufficient Funds and Overdrafts.
- You shall not use your card to initiate a transaction involving internet gambling or illegal activities, regardless of the jurisdiction in which you are located, including locations within the United States, and Southwest Financial has the right to refuse a transaction which Southwest Financial reasonably believes involves such activities.

International Transactions. If you effect an international transaction with your VISA debit card, the rate of exchange between the transaction currency and the billing currency used for processing the international transaction will be: (i) a rate selected by VISA from the range of rates available in the wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA itself receives, or (ii) the government mandated rate in effect for the applicable central processing date. Southwest Financial may impose a charge for any transaction that you conduct outside the United States or in an international currency. See the Service Fee Schedule for the current amount Southwest Financial charges.

Refunds on Purchases. You may not receive cash refunds for purchases made with your debit card. If a merchant gives you a credit for merchandise returns or adjustments, it may do so by processing a credit adjustment, which Southwest Financial will apply as a credit to your account. It may take several business days for this transaction to credit to your account depending on how the merchant submits the credit.

ATM Fees. Southwest Financial provides thousands of surcharge-free ATMs through participating networks. Refer to the Service Fee Schedule for any participating network changes. When you use one of these ATMs, you will not be charged a fee by either the ATM operator or Southwest Financial. However, when you use an ATM outside of the available surcharge-free networks, you may be charged a fee by the ATM operator or any network used, including a fee for a balance inquiry even if you do not complete a funds transfer or another type of transaction. Southwest Financial may also charge a service fee as set forth in the Service Fee Schedule.

**Payments, Credits, and Transfers.** Southwest Financial can electronically transfer funds from your account to other parties and can receive funds electronically from other parties for deposit to your

account. Southwest Financial may do this by “ACH” (as a member of a local or national Automated Clearing House association) and other EFT networks.

ACH Debits and Credits. From time to time, originators that you authorize may send automated clearing house (ACH) credits or debits for your account. For each ACH transaction, you agree that the transaction is subject to the National Automated Clearing House Association (NACHA) Operating Rules and any local ACH operating rules then in effect. You agree that Southwest Financial may rely on the representations and warranties contained in these operating rules and either credit or debit your account, as instructed by the originator of the ACH transaction. You must notify Southwest Financial immediately of unauthorized activity.

ACH Provisional Payment Rule. Under ACH rules, funds transfers sent through an ACH are provisional and may be revoked prior to final settlement. You agree to these rules. If the funds transfer is revoked before final settlement, Southwest Financial may charge your account for the amount credited. In such case, the person who sent the funds transfer is considered not to have paid you. If this happens, Southwest Financial does not send a separate notice; Southwest Financial reports the information on your account statement.

Suspension or Cancellation of ACH Transactions. From time to time Southwest Financial may need to temporarily suspend processing of ACH transactions in order to comply with regulatory requirements. This may affect settlement and/or availability of the funds for these transactions. Southwest Financial reserves the right to cancel preauthorized ACH debits from your account without notice if there are insufficient available funds in the account and Southwest Financial has no notice of a pending credit to the account that would provide sufficient funds for the ACH debit transaction within 24 hours prior to the scheduled ACH debit transaction.

**Online Banking and Bill Payment Services.** You may use [swfinancial.org](http://swfinancial.org) (or other electronic means as Southwest Financial may make available) to obtain account information, make transfers between Southwest Financial accounts and pay bills from your Southwest Financial checking account. You will receive an agreement and applicable disclosures when you sign up for these services. You must have a personal device or computer with access to the internet to use [swfinancial.org](http://swfinancial.org). You are responsible for the selection, installation, maintenance, and operation of your hardware and software. Southwest Financial is not responsible for any errors, failures, or malfunctions of your hardware or software, or for any virus, malicious software, or related problems that may occur with your use of this service. You are responsible for ensuring that your hardware and software are compatible with [swfinancial.org](http://swfinancial.org). Southwest Financial reserves the right to change its system requirements from time to time.

**Electronic Check Conversion.** If you pay for something by check and the merchant or payee permits, you may authorize the merchant or payee to make a one-time electronic payment from your checking account using information from your check to pay for the purchase or to pay a bill. You may also authorize a merchant 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 electronic fund transfer.

**Records of Your Transactions.**

Receipts. You can get a receipt at the time you make any transfer to or from your account using one of Southwest Financial’s ATMs or at the time you make a purchase with your Southwest Financial debit card. You may not receive a receipt if a transaction is \$15 or less. ATM receipts are not final since each

transaction is subject to Southwest Financial's later verification. If there is a conflict between the receipt and Southwest Financial's records, Southwest Financial's records will control.

Account Statements. Your account statement will reflect EFT transactions. See the Statements and Notices section for information, including your responsibility to review your statements.

Preauthorized Credits. If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can contact us to find out whether or not the deposit has been made.

Varying Preauthorized Transfers. If you have authorized regular payments out of your account and they may vary in amount, the person receiving the payments will tell you 10 days before each payment when it will be made and how much it will be; unless you have agreed 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 limits that you set.

**Your Liability for Unauthorized Transfers.** Tell Southwest Financial AT ONCE if you believe your ATM card, debit card, Personal Identification Number (PIN) or similar access code has been lost, stolen, or learned by an unauthorized person, or if you believe that an electronic fund transfer has been made without your permission using information from your check. If you tell Southwest Financial within two business days after you learn of the loss or theft, you can lose no more than \$50 for an unauthorized electronic funds transfer or a series of related unauthorized transfers should someone use your card or code without your permission.

If you do NOT tell Southwest Financial within two business days after you learn of the loss or theft of your card or code and Southwest Financial could have stopped someone from using your card or code without your permission if you had told Southwest Financial, you could lose as much as \$500.

Your losses could include all of the money in your account. Plus, if you have an overdraft protection plan linked to your account, your losses could include any transfers from another account, or any advances on a credit line or credit card.

Tell Southwest Financial AT ONCE if your statement shows transfers that you did not make, including those made by card, code, or other means. If you do not tell Southwest Financial within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if Southwest Financial could have stopped someone from taking the money if you had told Southwest Financial in time.

The telephone number and address to report unauthorized transfers; lost and stolen Southwest Financial ATM and debit cards; or access codes is available above and in the Service Fee Schedule. You may also contact Southwest Financial on [swfinancial.org](http://swfinancial.org). You should also call the number or write to the address listed above and on the Service Fee Schedule or contact Southwest Financial at [swfinancial.org](http://swfinancial.org) 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 an affidavit regarding the unauthorized activity.

**Preauthorized Payments.**

Right to Stop Payment and Procedure for Doing So. If you have told Southwest Financial in advance to make regular payments out of your account or if you have authorized someone to debit your account on a regular (ongoing, consistent) basis through the ACH system, through your debit card (not one-time transactions), or through any other electronic funds transfer, you can stop any of these payments by calling or writing to Southwest Financial. You must notify Southwest Financial in time for Southwest Financial to receive your request three business days or more before the payment is scheduled to be made. If you call, Southwest Financial may also require you to put your request in writing and get it to Southwest Financial within 14 days after your call. You must provide the exact amount of the payment you have stopped, as well as other identifying information which Southwest Financial will request. Southwest Financial may charge you a fee for each stop payment order you give. See Stop Payment Orders in the Additional Terms and Services section for more information about Stop Payment Orders on electronic funds transfers. If Southwest Financial requires written confirmation and does not receive it, Southwest Financial may remove the oral stop payment order after 14 days.

**Liability for Failure to Stop Payment.** Southwest Financial will be liable for your damages directly caused by Southwest Financial if you order Southwest Financial to stop a preauthorized payment three business days or more before the transfer is scheduled; you have given Southwest Financial the information it requested, including the exact amount of the payment; and Southwest Financial fails to stop the payment.

**Liability for Failure to Make Transfers.** If Southwest Financial does not complete a transfer to or from your account on time or in the correct amount according to Southwest Financial's agreement with you, Southwest Financial will be liable for your losses or damages directly caused by Southwest Financial's failure. However, there are some exceptions. Southwest Financial will not be liable, for instance:

- If, through no fault of Southwest Financial, you do not have enough money in your account to make the transfer.
- If the transfer would exceed the funds available on your protecting accounts under your overdraft protection plan.
- If the ATM where you are making the transfer does not have enough cash.
- If the ATM, terminal, or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond Southwest Financial's control (such as power outages, equipment failures, fire, or flood) prevent the transfer, despite reasonable precautions that Southwest Financial has taken.
- If the funds are subject to legal process or other encumbrance restricting the transfer.
- If an account becomes dormant or inactive, in which case Southwest Financial may terminate card or code access to that account.
- If your card or code has been revoked due to inactivity or at Southwest Financial's discretion.

There may be other exceptions as stated in this agreement or as permitted by law.

**Error Resolution Procedure.** In case of errors or questions about your electronic transfers, contact Southwest Financial as soon as you can through [swfinancial.org](http://swfinancial.org), text, call or write as shown above and on the Service Fee Schedule if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. Southwest Financial must hear from you no later than 60 days after Southwest Financial has sent you the FIRST statement on which the problem or error appeared.

- (1) Provide 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) Provide the dollar amount of the suspected error.

If you tell Southwest Financial orally, Southwest Financial may require that you send your complaint or question in writing within 10 business days. Southwest Financial will determine whether an error occurred within 10 business days after Southwest Financial hears from you and will correct any error promptly. If Southwest Financial needs more time, however, Southwest Financial may take up to 45 days to investigate your complaint or question. If Southwest Financial decides to do this, Southwest Financial will credit your account within 10 business days for the amount you think is in error, so that you will have use of the money during the time it takes Southwest Financial to complete its investigation. If Southwest Financial asks you to put your complaint or question in writing and does not receive it within 10 business days, Southwest Financial may not credit your account.

For errors involving new accounts, a point-of-sale transaction, or a transaction initiated outside a state, territory, or possession of the United States, Southwest Financial may take up to 90 days (instead of 45) to investigate. For new accounts, Southwest Financial may take up to 20 business days to credit your account for the amount you think is in error.

Southwest Financial will tell you the results within three business days after completing its investigation. If Southwest Financial decides that there was no error, Southwest Financial will send you a written explanation. You may ask for copies of any documents that Southwest Financial used in its investigation.

UNLESS OTHERWISE PROVIDED IN THIS AGREEMENT, YOU MAY NOT STOP PAYMENT OF ELECTRONIC FUND TRANSFERS, INCLUDING ONETIME POINT OF SALE TRANSACTIONS. Therefore, you should not use electronic access for purchases or services unless you are satisfied that you will not need to stop payment. See [Right to Stop Payment and Procedures for Doing So](#) in the **Preauthorized Payments** section and the [Additional Information About Automatic Clearing House \(ACH\) Stop Payment Orders](#) in the **Stop Payment Orders** section of this Agreement for additional information.

## **ATM AND DEBIT CARD TIPS**

**Helpful Hints.** The suggestions that follow offer some helpful hints on protecting your ATM or debit card, and exercising care when using an ATM. Please review them.

### **Protecting Your ATM or Debit Card.**

- Always sign your new card as soon as you receive it. Destroy any old cards.
- Always protect your card just as you would cash, checks, or credit cards. Keep your card in a safe place. If your card is lost or stolen, contact Southwest Financial immediately.
- Always protect your personal identification number (PIN). Never give your number to anyone and you should never write your number anywhere, especially on your card. When you choose your own PIN, avoid using obvious numbers such as telephone numbers, addresses, or birth dates.
- Never give information about your card or PIN over the telephone. If someone is asking for this information, refuse and immediately notify Southwest Financial.
- Make sure all internet purchases are secured with encryption to protect your account information. Look for a “secure transaction” symbol – generally a small icon such as a padlock.

- Always be sure to log off any site after making a purchase with your card. If you cannot log off, shut down your browser to help prevent unauthorized access to your Account information.
- Never send your card number or PIN through email, as it is typically not secure.
- Never provide anyone with the security codes printed on your card unless you initiated the transaction and the codes are required to complete the transaction.

#### **Using an ATM.**

- ATMs may be monitored by surveillance cameras, which record activity in the area of the ATM.
- When you enter or exit an ATM in an enclosed area, be sure you close the entry door completely. Do not open locked ATM vestibule doors for others or allow any unknown persons to enter the ATM area when you are making your transaction.
- After completing your transaction, secure your card and cash immediately, before exiting the ATM area. Count it later in the safety of your locked car or home.
- Shield the keypad with your hand or body while entering your PIN. Do not leave your transaction record at the ATM. Keep your transaction record in a safe place and be sure to compare it to your statement.
- If you use a drive-up ATM, be sure passenger windows are rolled up and your doors are locked.
- Be aware of your surroundings, especially after dark. If you must use an ATM at night, consider taking someone with you.
- If you notice anything suspicious or that you deem unsafe, such as the lighting around the ATM is not working, possible machine tampering, or the presence of unauthorized equipment attached to the machine, use another ATM or return later.
- Report all crimes immediately to law enforcement officials.
- If you need emergency assistance, call 911 from the nearest telephone.

#### **WIRE TRANSFER AND OTHER SUCH FUNDS TRANSFER SERVICES**

The following provisions apply to payment orders governed by Article 4A, Funds Transfers, of the Uniform Commercial Code, as adopted by the state of Texas. Such payment orders include wire transfers, ACH, and other payment order transactions. These provisions do not apply to transactions described above in the Electronic Banking Services section of this agreement, or to payments by check, draft, or similar instrument.

**Processing Orders.** Southwest Financial may charge fees for sending or receiving a payment order. Southwest Financial may deduct its fees from your account or from the amount of the transfer. For current fees, see the Service Fee Schedule. Funds Transfer services may not be available to all account holders. Southwest Financial reserves the right to limit the availability of Funds Transfer services based on such factors as credit worthiness, the length and extent of your relationship with Southwest Financial, transaction and experience history, and such other factors as Southwest Financial, in its sole discretion, deems relevant.

At its discretion, Southwest Financial may process your payment order to transfer funds to another Southwest Financial account or to an account at another financial institution. Southwest Financial reserves the right to reject any payment order without cause or prior notice, and may notify you of the rejection verbally, electronically, or in writing. Southwest Financial is not liable to you for the rejection or obligated to pay you dividends for the period before you receive notice of rejection. You agree that payment orders must comply with all applicable laws of the United States.

**Governing Regulations.** If you send or receive a wire transfer, Fedwire may be used. Federal Reserve Board Regulation J is the law that covers transactions made over Fedwire. If you are a party to an Automated Clearing House (ACH) entry, you acknowledge and agree that such entry will be governed by the National Automated Clearing House Association (NACHA) Operating Rules, the Rules of any local ACH, and the Rules of any other system through which the entry is made. Other payment orders you make may be governed by Chapter 4A of the Texas Business and Commerce Code.

**Cutoff Hours.** Southwest Financial's cutoff time for processing domestic (within the United States) payment orders is 2:30 p.m. Central Time and 10:00 a.m. for International (outside the United States). These hours are subject to change without notice. Payment orders received after the processing cutoff time may be processed on Southwest Financial's next business day. <sup>1</sup>Texas Business and Commerce Code, chapter 4.

**Notification.** Under NACHA Rules, Southwest Financial is not required to you next day notice of the receipt of an ACH entry and Southwest Financial will not do so, nor will Southwest Financial give you next day notice of the receipt of a wire transfer. However, Southwest Financial will notify you of these transfers in your account statement.

**Provisional and Final Payment.** If Southwest Financial credits your account for an ACH entry or a wire transfer, the credit is provisional until Southwest Financial receives final settlement for the payment order. If Southwest Financial does not receive final settlement, or if Southwest Financial credits your account by mistake, Southwest Financial is entitled to a refund of the amount credited and you agree that, at Southwest Financial's option, Southwest Financial may reverse the credit or require that you reimburse Southwest Financial by way of direct payment.

**Identifying Account Numbers.** You agree that Southwest Financial can rely upon any identifying account number given to Southwest Financial in connection with any ACH or wire transfer, even if the number identifies a person different than the named beneficiary or a financial institution different from the named financial institution. You agree that neither Southwest Financial nor any other institution involved in the transaction has a duty to determine whether the number given matches the intended beneficiary or the named financial institution. If Southwest Financial receives a payment order for you that does not specify a particular account, you agree that Southwest Financial may deposit the payment into any eligible account of yours, including a joint or multiple-party account.

**Southwest Financial Liability; Interest Payable.** Southwest Financial may be responsible for your actual losses or direct expenses, to the extent recoverable under Chapter 4A or other applicable law, if Southwest Financial fails to exercise ordinary care in carrying out your instructions in connection with a wire transfer transaction. Southwest Financial is not responsible for the acts or omissions of third parties through whom payments are sent, even if those parties have acted as Southwest Financial's agent. Southwest Financial is not responsible for detecting errors in any wire transfer or other payment order provided to Southwest Financial. In no event will Southwest Financial be liable for any special, indirect, exemplary, or consequential damages (including lost profits) of any kind arising out of a wire transfer transaction, even if Southwest Financial has been advised or should have known of the possibility of such damages. Southwest Financial is not required to pay interest on any amount Southwest Financial may owe to you due to an unauthorized wire transfer arising out of Southwest Financial's error unless you exercise ordinary care to discover the unauthorized transfer and promptly advise Southwest Financial of the relevant facts within the time period set forth below in the Account Statements and

Notices section of this Agreement. Any rate of interest that Southwest Financial might be obligated to pay to you as a matter of law for a delay or incorrect transfer arising out of Southwest Financial's error will be the lower of the federal funds rate at the time of the correction or the dividend or interest rate that Southwest Financial pays on the Account to or from which the funds transfer should have occurred. You agree to indemnify and hold Southwest Financial harmless from any cost, liability, expense (including reasonable attorney's fees) arising out of any claim by a third party alleging that any payment order of yours contravenes or compromises the rights, title, or interest of any third party or contravenes any law, rule, regulation, ordinance, court order, or other mandate or prohibition with the force and effect of law ("Claim"), unless the Claim arises out of Southwest Financial's failure to exercise ordinary care, failure to act in good faith, or failure to act in accordance with your instructions given pursuant to this Agreement.

**Security Procedures.** Southwest Financial reserves the right to refuse to accept any wire transfer or other payment order. You agree that Southwest Financial may verify the authenticity of payment orders using Southwest Financial's security procedures in place at the time of any such order, which may include a combination of signature verification, call back procedures, the use of identifying words or numbers, and identification via employee ID, valid driver's license, or other photo identification document. You agree that these procedures are commercially reasonable in view of your particular circumstances and the type and frequency of payment orders contemplated by you. If you do not agree to these security procedures, you must notify Southwest Financial in writing. In such event, Southwest Financial shall have no obligation to accept any payment order from you or other authorized parties on the Account until you and Southwest Financial agree, in writing, on an alternate security procedure.

**Force Majeure.** Southwest Financial is not liable for a failure to execute a payment order according to your instructions if an interruption in communication facilities or some other circumstance beyond Southwest Financial's control such as fire or flood prevents the transfer, despite reasonable precautions Southwest Financial has taken. Southwest Financial will promptly notify you of the failure or delay, however, and will complete the transfer as soon as possible.

**Amending or Cancelling Payment Orders.** Transfers, payment orders, and communications canceling or amending domestic payment orders received after 2:30 p.m. and international payment orders received after 10:00 a.m. on each weekday Southwest Financial is open that is not a holiday may be treated as having been received on the next banking day and processed accordingly. Wire transfers and other payment orders generally may not be amended or canceled after Southwest Financial has accepted them, except that international wire transfers and other international payment orders may be amended or cancelled for up to 30 minutes after the time of acceptance. In all other cases, if Southwest Financial accepts a request to amend or cancel a wire transfer or other payment order after acceptance, Southwest Financial will attempt to process your request, but Southwest Financial makes no guarantee that any such attempt will be successful.

**General.** Your contractual arrangement for wire transfers, ACH, and other payment order transactions may provide for additional terms and conditions. You agree that only Southwest Financial's forms, methods, and procedures may be utilized. You also agree that in the event of an error, Southwest

Financial may correct any such error without prior approval by you. If Southwest Financial is required to reimburse the U.S. government for a benefit payment made to your Account by direct deposit, Southwest Financial may deduct all or part of the amount owed from any Account on which you have an ownership interest, to the extent permitted by applicable law. Any authorization you make to initiate paperless debit or credit entries will remain in effect until Southwest Financial receives written notice from you that your authorization has been revoked in a manner and in time to provide Southwest Financial with a reasonable opportunity to act on it.

**International Transfers.** International transfers may be subject to delays, charges imposed by other financial institutions, and changes in international currency exchange rates. If you direct a payment order to an international country, Southwest Financial typically executes the order in U.S. dollars. If for any reason the payment order is returned to Southwest Financial, you agree to accept the refund in U.S. dollars in the amount of the international money credit, based on the current buying rate on the day of the refund, less any charges and expenses Southwest Financial incurs. Intermediary banks may deduct their fees from the amount of any payment order they process.

**Sending Payment Orders.** Southwest Financial may select any intermediary bank, funds transfer system, or means of transmittal to send your payment orders. Southwest Financial's selection may differ from that indicated in your instructions.

**Errors or Questions About Your Payment Orders.** Southwest Financial notifies you about funds transfers by listing them on your account statement. In some cases, Southwest Financial also may notify you electronically, in writing, or by a report produced through an information reporting service. However, Southwest Financial is not required to provide such additional notifications.

You must notify Southwest Financial at once if you think a funds transfer shown on your statement or other notice is incorrect. You must send Southwest Financial written notice, including a statement of relevant facts, no later than 14 days after the date you receive the first notice or statement on which the problem or error appears.

If you fail to notify Southwest Financial within this 14-day period, Southwest Financial is not liable for any loss of interest because of an unauthorized or erroneous debit or because your statement or notice is incorrect. Southwest Financial is not required to compensate you, and Southwest Financial is not required to credit or adjust your account for any loss of dividends or dividend equivalent.

**Security Procedures.** Unless you and Southwest Financial agree on another security procedure, you agree that Southwest Financial may confirm the authenticity and content of payment orders by contacting any account holder or authorized signer using the contact information on record with Southwest Financial. Using this security procedure, Southwest Financial may process any payment order which Southwest Financial believes you transmitted or authorized. You agree that Southwest Financial's security procedures are commercially reasonable and that such payment orders will be deemed effective as if you made them, and you will be obligated to pay Southwest Financial in the amount of such orders, even though you did not transmit or authorize them. If Southwest Financial cannot reach you, or if the payment order is not confirmed or approved in the manner Southwest Financial requires, Southwest Financial may refuse to execute the payment order. You acknowledge and agree that Southwest Financial's security procedures are designed to verify the authenticity of payment orders and not to detect errors in the content of any such payment order.

**Limitation of Liability.** Southwest Financial's liability for any act or failure to act shall not exceed any direct resulting loss, if any, which you incur, and payment of interest. Unless otherwise required by law, Southwest Financial will not be liable for any consequential, indirect, or special damage that you incur in connection with payment orders, even if Southwest Financial is aware of the possibility for such damages.

## **ADDITIONAL TERMS AND SERVICES**

This section contains additional terms that apply to your account and describes some other services Southwest Financial offers for use with your account.

**Business Days.** Southwest Financial's business days are Monday through Friday, excluding credit union holidays. Southwest Financial may switch from one business day to the next business day before the end of the calendar day. Hours of operation are available on [swfinancial.org](http://swfinancial.org).

**Checks and Deposit Slip Forms.** Checks you write may be converted into electronic images (truncated) during the check collection and return process. You agree to indemnify and hold us harmless for all claims, costs, losses, and damages that may result, and Southwest Financial may refuse to accept or may charge you a fee for each check or other item if:

- you elect to create your own checks or have your checks printed by a vendor that Southwest Financial has not approved;
- you use check stock or features (such as security features) that cause critical data to disappear or be obscured upon truncation; or
- you make your check out in a way that causes critical data to disappear or be obscured upon truncation (such as, by using a lightly colored ink).

You are responsible for verifying the accuracy of all information on your checks and other forms. Southwest Financial's liability, if any, for any printing errors on checks or other forms obtained through Southwest Financial is limited to the cost of replacing the forms. Southwest Financial is not liable for any claims, costs, losses, or damages you may incur when you use checks or other forms not obtained through Southwest Financial.

**Conflicting Claims About Your Account.** If there is any dispute or uncertainty regarding the ownership of an account or its funds or an account transaction, if there are conflicting demands over account ownership or control, if Southwest Financial is unable to determine any person's authority to give instructions, or if Southwest Financial believes a transaction may be fraudulent or may violate any law, Southwest Financial may, at its sole discretion and without liability to you:

- freeze the account and refuse transactions until Southwest Financial receives proof (in form and substance satisfactory to Southwest Financial) of each person's right and authority over the account and its funds;
- refuse transactions and return checks, marked "Refer to Maker" (or similar language);
- require signatures of all authorized signers for the withdrawal of funds, the closing of an account, or any change in the account regardless of the number of authorized signers on the account;
- request instructions from a court of competent jurisdiction at your expense regarding the account or transaction;
- continue to rely on any current signature cards and other account documents;

- honor the competing claim upon receipt of evidence Southwest Financial deems satisfactory to justify such claim; or
- close the account and send payment for the balance in the account, payable to you or to you and each claimant.

Southwest Financial is not obligated to assert any of the rights set out above or to deny a transaction. Southwest Financial is not required to determine whether a dispute has merit in order to exercise any of the rights set out above. You are liable for all expenses and fees Southwest Financial incurs, including attorneys' fees, and Southwest Financial may charge them to your account.

**Cutoff Time for Receipt of Orders.** The cutoff time for Southwest Financial's receipt of a stop payment order, restraining order, writ of attachment or execution, levy, garnishment, or similar order relating to your account is 10 a.m. Central Time each business day. The cutoff time relates to Southwest Financial's obligation to pay or return checks and other items. If Southwest Financial receives an order before this cutoff time, Southwest Financial may review items presented for payment against your account on the previous business day to determine whether Southwest Financial needs to return any of them to comply with the order. If Southwest Financial receives the order after the cutoff time, Southwest Financial may not review items presented on the previous business day. For example, if you give Southwest Financial a stop payment order after the cutoff time and the item you want to stop was previously presented for payment or otherwise before Southwest Financial has the opportunity to act on your order, your order comes too late to stop payment on the item. Or, if Southwest Financial receives a levy before the cutoff time and you do not have enough funds in your account to cover both the levy and all items presented against your account the previous business day, Southwest Financial may return one or more items and apply the funds to the levy.

**Death or Incompetence.** You agree to notify Southwest Financial promptly if any account holder or authorized signer on your account dies or is declared incompetent by a court. Southwest Financial may place a hold on your account and refuse to accept deposits or permit withdrawals when an account holder dies or is declared incompetent. Southwest Financial may hold any funds in your account until Southwest Financial knows the identity of the successor.

If a deposit – including salary, pension, Social Security, and Supplemental Security Income (SSI) – payable to the deceased account holder is credited to the account after the date the deceased account holder died, Southwest Financial may debit the account for the deposit and return it to the payer.

**Indemnification and Limitation of Liability.** You agree to reimburse Southwest Financial for all claims, costs, losses, and damages (including fees paid for collection) Southwest Financial may incur with respect to overdrafts or returned deposits in connection with your account.

Southwest Financial is not liable to you for any claim, cost, loss, or damage caused by an event that is beyond Southwest Financial's reasonable control. In particular, Southwest Financial is not liable to you if circumstances beyond Southwest Financial's reasonable control prevent Southwest Financial from, or delay Southwest Financial in, performing its 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 Southwest Financial's reasonable control include: a natural disaster, such as a tornado, hurricane, earthquake, or flood; emergency conditions, such as a war, terrorist attack, riot, fire, theft, or labor dispute; a legal constraint or governmental action or inaction; the breakdown or failure of Southwest Financial's equipment for any reason, including a loss of electric power; the breakdown of

any private or common carrier communication or transmission facilities, any time-sharing supplier, or any mail or courier service; the potential violation of any guideline, rule, or regulation of any government authority; suspension of payments by another bank; or your act, omission, negligence, or fault.

Southwest Financial is not liable for special, incidental, exemplary, punitive, or consequential losses or damages of any kind.

**Legal Process.** Southwest Financial may accept and act on any legal process, without any liability to you, that Southwest Financial believes to be valid, whether served in person, by mail, by facsimile transmission, or by other means, at locations other than the Southwest Financial's office at which the account, property, or records are held, or if served in a state other than the state where the account, property, or records are held. "Legal process" includes a subpoena, restraining order, injunction, writ of attachment or execution, levy, garnishment, tax withholding order, search warrant, forfeiture, or other similar order relating to your account. You direct Southwest Financial not to contest the legal process.

Southwest Financial will hold and turn over funds or other property to the court or creditor as directed by the legal process. Southwest Financial does not pay interest on the funds during the period Southwest Financial holds them. If Southwest Financial uses funds from a time deposit account, Southwest Financial may impose an early withdrawal penalty. Southwest Financial may charge your account a legal process fee for each order. You agree to pay Southwest Financial's fees and expenses for research and copying of documents and all other expenses, including administrative expenses that Southwest Financial incurs in responding to any legal process related to your account. These may include attorneys' fees. Southwest Financial may deduct these fees and expenses from any of your accounts without prior notice to you. Any garnishment, attachment or other levy against your account is subject to Southwest Financial's statutory and consensual liens and any security interest Southwest Financial has in the account. See the Service Fee Schedule for current fees. Southwest Financial is not liable to you for not paying items because Southwest Financial has held or withdrawn funds from your account or in any way restricted your access to funds because of a legal process.

**Power of Attorney.** If you want to grant someone power of attorney over your account, Southwest Financial may ask that you complete its power of attorney form, which is available on [swfinancial.org](http://swfinancial.org). Southwest Financial may accept any power of attorney form that it believes was executed by you and act on instructions Southwest Financial receives under that form without any liability to you. You agree to reimburse Southwest Financial for all claims, costs, losses, and damages that Southwest Financial incurs in accepting and acting on any power of attorney form that Southwest Financial believes you executed. In some cases, Southwest Financial may require that the attorney-in-fact confirm in an affidavit or certification that the power has not been revoked or terminated, or that you register the power with the appropriate recording authorities. Southwest Financial may restrict the types or sizes of transactions it permits an attorney-in-fact to conduct. Southwest Financial may decline to accept a power of attorney where permitted by law.

Southwest Financial may require a separate form for each attorney-in-fact and for each account for which you want to grant power of attorney. If your attorney-in-fact does not present the original form, Southwest Financial may refuse to honor any power of attorney you grant with or without cause and with no liability to you. When Southwest Financial accepts a power of attorney, Southwest Financial may continue to recognize the authority of your attorney-in-fact until Southwest Financial receives written notice of revocation from you and has had a reasonable time to act on it.

**Statutory Lien.** Federal law grants Southwest Financial the right to impress a lien on all funds in any account that you have (or have ownership interest in) with Southwest Financial if you are in default or otherwise fail to satisfy a financial obligation with Southwest Financial. Southwest Financial may exercise this right without further notice to you. This lien applies to all accounts that you have with Southwest Financial, to the extent permitted by law, including accounts that you hold jointly with another person.

**Contractual Lien.** In addition to any lien Southwest Financial has as a matter of law, you grant Southwest Financial a contractual lien on all shares, deposits, and dividends in any account in which you have an interest to the extent of any loans made to you and any other obligation of yours which you owe to Southwest Financial, which lien secures repayment of any such loan or obligation to the extent not prohibited under the Federal Truth-in-Lending Act or other applicable law. You are not giving a security interest in any shares or deposits in an IRA, SEP, Keogh or any other account, which if pledged, would result in the loss of special tax treatment under the Internal Revenue Code. You agree that, if any such account is a joint account, the entire amount in such account shall be subject to Southwest Financial's lien and shall secure the indebtedness of each party to the account owing to us. If you are in default or otherwise fail to satisfy a financial obligation with Southwest Financial, you agree that Southwest Financial may exercise its lien and apply the entire amount in any such account against the indebtedness of any party owing to Southwest Financial, notwithstanding the interest of any other owner on the account and without notice. You agree to pay Southwest Financial for expenses and costs, including attorney's fees, that Southwest Financial may incur in enforcing Southwest Financial's right to exercise Southwest Financial's lien against the indebtedness of any one or more parties, and you agree that Southwest Financial will not be liable for dishonoring checks or other items where the exercise of Southwest Financial's lien results in there being insufficient available funds in the account to honor such items. If Southwest Financial cashes a check for you over the counter at your request and any such check is subsequently returned unpaid for any reason, you agree that Southwest Financial may charge the amount of the item against your account, and in accordance with the Service Fee Schedule, a fee may be imposed for the return item. If Southwest Financial elects not to enforce its lien at any time, Southwest Financial does not waive its right to enforce that lien on subsequent occasions. The lien secures all direct and indirect indebtedness which you may owe to us whether as a borrower, co-maker, guarantor or otherwise. You agree that, with regard to any indebtedness owing to us secured by your principal residence, Southwest Financial's lien shall not be construed so as to diminish or forfeit any lien or indebtedness secured by such residence, nor permit the modification of any claim Southwest Financial may have under 11 U.S.C. 1322(b)(2), and to the extent that this lien may be or is so construed, it is hereby waived and shall be void.

## **STOP PAYMENT ORDERS**

Stop Payment Orders. You may ask Southwest Financial to stop payment on a check or other item drawn on your account if it has not already been paid. You may not stop payment on electronic, ATM, one-time point-of-sale (POS) debit card transactions, cashier's and teller's checks, or other official checks or payments guaranteed by Southwest Financial.

Placing Stop Payment Orders. You may request a stop payment order on swfinancial.org, by mail, or by calling Southwest Financial. Southwest Financial may require you to complete a form authorizing the order. You must give Southwest Financial sufficient notice so that Southwest Financial has a reasonable period of time to act on your request. For electronic funds transfers you must notify Southwest Financial in time for Southwest Financial to receive your request three business days or more before the payment is scheduled to be made. A stop payment order takes effect only after Southwest Financial has a reasonable opportunity to verify that the item is unpaid. Southwest Financial may charge you a fee for each stop payment order and each renewal of the order.

To place a stop payment order, Southwest Financial requires the item number. Southwest Financial may also require the account number, the exact amount of the item, the date of the item, the name of the person who signed or authorized the item, and the name of the party to whom the item was made payable. Southwest Financial may use only a portion of the requested information to identify an item.

Southwest Financial uses a computer system to identify items. Therefore, to act on your order, Southwest Financial needs the exact item number. Southwest Financial relies upon the information you provide in order to implement a stop payment order. If any of that information is inaccurate or changes (e.g., if you give Southwest Financial the wrong item number, if the item presented for payment does not include the exact item number, or if the name of the person to whom the item is payable changes or is not exactly as you have provided it to Southwest Financial) Southwest Financial may pay the item.

An oral stop payment order expires after 14 days. A written stop payment order expires after six months. Southwest Financial may, in its sole discretion, elect to honor a stop payment order for a longer period of time without notice to you. If you do not want the order to expire, you must renew it. Each renewal is treated as a new order. If you want the order to expire in less than six months, you must cancel the order on or after the date you want it to expire. You must submit a written request to cancel a stop payment order. Your request to cancel the order is not effective until Southwest Financial has a reasonable opportunity to act on it. Southwest Financial cancels the order automatically when the account on which the item is drawn is closed.

If the item is presented for payment after the order expires, Southwest Financial may pay the item. If a postdated check that is subject to a stop payment order is presented to Southwest Financial for payment while the order is in effect, Southwest Financial may return the check with the designation "payment stopped" or "refer to maker."

Southwest Financial's liability for paying an item subject to a proper and timely stop payment order is limited to the actual loss suffered, up to the amount of item. You must prove the loss to Southwest Financial's satisfaction. Southwest Financial is not liable to you for any special, incidental, or consequential loss or damage of any kind.

Additional Information About Automated Clearing House (ACH) and Other Recurring Electronic Fund Transfer Stop Payment Orders. If you have authorized someone to debit your account on a regular basis through the ACH system, your debit card, or other electronic fund transfer, you can stop such payment by calling or writing to Southwest Financial. You must notify Southwest Financial at least three business days or more before the payment is scheduled to be made for Southwest Financial to have a reasonable opportunity to act upon the stop payment order prior to acting on the transaction. If you call, the stop payment order will remain in effect for 14 days unless you confirm the order in writing within such 14-

day period. If you provide a written stop payment order, it will be effective until you cancel it. You must provide the exact amount of the payment you have stopped, as well as other identifying information which Southwest Financial will request. Southwest Financial may charge you a fee for each stop payment order you give.

For such a stop payment order, Southwest Financial generally needs the information listed above in the Placing Stop Payment Orders section. Southwest Financial also needs your name and telephone number and the type of account (checking or savings). If the debit is a recurring payment, Southwest Financial may also need the date the prior debit from this sender posted to your account so that Southwest Financial can obtain the company name and company identification number used by your sender. Otherwise, you must provide the company name and company identification number.

If you do not know the amount of the debit, Southwest Financial may still be able to place the stop payment based on the company name and company identification number of the sender, but this may stop all items from this sender. If you provide the wrong company identification number or if the sender changes the company identification number, Southwest Financial may pay the item.

Cashier's Checks and Teller's Checks. You may not stop payment on cashier's check or teller's checks. However, you may be able to claim a refund on such items if they are lost, stolen, or destroyed. To claim a refund of the amount of such items, you must give Southwest Financial a declaration of loss statement on a form acceptable to Southwest Financial and the item must not have been presented for payment for 90 days from the issue date.

**Inactive Accounts.** Southwest Financial considers an account inactive if there has been no transactional activity, debit or credit, initiated by the account holder or an authorized signer for more than one year and the account holder has not communicated with Southwest Financial. Southwest Financial will not reimburse charges for inactive accounts that later become active. Southwest Financial may be required to turn over (or escheat) account funds to the state if the account remains inactive. If Southwest Financial does turn over the account funds to the state, you will need to file a claim with the state to recover the funds. Southwest Financial reserves the right, in its sole discretion, to refuse withdrawals or transfers. Southwest Financial's current practice is not to refuse transactions for inactive accounts. See the Service Fee Schedule for fees which may apply to inactive accounts.

**Verification of Transactions and Right to Reverse Transactions.** All transactions, including those for which Southwest Financial provides a receipt, are subject to final verification. Verification of a deposit does not occur at the teller window. Consequently, the receipt that you receive at the time of your deposit is not evidence that your deposit has been verified. Southwest Financial may reverse or otherwise adjust any transaction (both credit and debit) that Southwest Financial believes it erroneously made to your account at any time without prior notice to you.

**Communications.** To ensure quality service, telephone calls and other communications between you and Southwest Financial may be monitored and recorded. Additionally, if you provide a telephone number or email address to Southwest Financial, you represent and warrant that you are the subscriber, customary user, or owner of any such telephone number or email address. When you provide your cell phone and/or email address, you authorize Southwest Financial and/or its service providers to contact you through those means to service your accounts and to provide general information, even if any telephone number you have provided may be on the state or federal do-not-call registry or similar list. Southwest Financial may contact you by voice, text messaging, or email. Message and data rates may

apply. Some of Southwest Financial's systems may use an automated dialer or prerecorded voice to deliver messages. If you provide your email address, you agree that Southwest Financial may send email messages concerning account holder benefits available to you. You may opt out of email messages at any time by following the instructions in the email. You must promptly notify Southwest Financial if any phone number or email address you have provided changes or if you transfer your phone number to another person or release it to your phone company, and you agree to hold Southwest Financial harmless for any failure to do so.

**Waiver and Severability.** Southwest Financial may delay enforcing its rights under this Agreement without losing them. No delay in enforcing Southwest Financial's rights will affect your obligation to pay fees and other amounts you owe Southwest Financial under this Agreement. If Southwest Financial waives a provision of this Agreement, the waiver applies only in the specific instance in which Southwest Financial decides to waive the provision and not to future situations or other provisions.

If any part of this Agreement is inconsistent with any applicable law, then to the extent the law can be amended by contract, you and Southwest Financial agree that this Agreement governs and that the law is amended by this Agreement. A determination that any part of this Agreement is invalid or unenforceable will not affect the remainder of this Agreement.

## **GLOSSARY**

"ACH" means Automated Clearing House

"ATM" means Automated Teller Machine

"EFT" means Electronic Funds Transfer

"IRD" means Image Replacement Documents

"MICR" means Magnetic Ink Character Recognition

"NACHA" means National Automated Clearing House Association

"NSF" means Nonsufficient Funds

"PIN" means Personal Identification Number

"POD" means Payable on Death

"POS" means Point-of-Sale

"Item" includes all orders and instructions for the payment, transfer, or withdrawal of funds from an account. Any account holder or authorized user of the account may provide such an order or instruction. As examples, item includes: a check, substitute check, purported substitute check, electronic transaction (including an ACH transaction, ATM withdrawal or transfer, or point of sale transaction), draft, demand draft, remotely created check, remotely created consumer check, image replacement document, indemnified copy, preauthorized draft, preauthorized payment, automatic transfer, telephone initiated

transfer, online funds transfer or bill payment instruction, withdrawal slip, in-person transfer or withdrawal, cash ticket, deposit adjustment, or other order of instruction for the payment, transfer, or withdrawal of funds, or an image, digital image or a photocopy of any of the foregoing. "Item" also includes any written document created or authorized in your name that would be a check or draft but for the fact that it has not been signed. "Item" may also include a cash-in ticket and a deposit adjustment. "Item" may also include a check, draft, warrant, or other item deposited to your account, including a deposited item that was returned unpaid.

# Account Opening and Usage

*This Service Fee Schedule is part of the Membership and Account Agreement and Disclosures between you and Southwest Financial.*

---

## **MINIMUM DEPOSIT TO OPEN SAVINGS ACCOUNT**

Primary Savings	\$25
Start Smart Savings	\$25
On My Own (OMO) Savings	\$25
Select Savings	\$25
Secondary Savings	\$25
Holiday Account	\$0

## **MINIMUM DEPOSIT TO OPEN CHECKING ACCOUNT WITH DEBIT CARD**

Better Than Free Checking	\$25
Checkless Checking	\$25
On My Own (OMO) Checking	\$25
Select Checking	\$25

## **MONTHLY SERVICE FEE**

Primary Savings	\$0
Start Smart Savings	\$0
OMO Savings	\$0
Select Savings	\$0
Secondary Savings	\$0
Holiday Account	\$0
Better Than Free Checking	\$0
Checkless Checking	\$0
OMO Checking	\$0
Select Checking	\$0

# Processing Policy

---

Transactions are generally posted each business day in the following order:

- Deposits into the account by category
- Loan payments and transfers
- Withdrawals from the account by category

Within each category, items are generally processed from lowest amount to highest amount.

*Refer to your Membership and Account Agreement for details.*

*Account features and pricing are subject to change.*

---

## Savings Accounts Fees

Closed Account Within 12 Months of Opening \$25 per account

Non-Sufficient Funds (NSF) \$30 per item\*

Inactive Account Fee \$5 per month

*Accounts without any account holder initiated transactional activity for 12 months.*

Holiday Account Withdrawals

October 1<sup>st</sup> – January 31<sup>st</sup> FREE

February 1<sup>st</sup> – September 30<sup>th</sup> \$5 each

\*You may be charged multiple NSF fees for the same item if the payee resubmits a previously returned item for payment and the item is returned again upon re-presentation.

## Wire Fees

Per Item

---

Wire Fee – Incoming	\$0
Wire Fee – Domestic Outgoing	\$15
Wire Fee – International Outgoing	\$30

# ATM/Debit Card Limits and Fees

---

## ATM FEES

ATM Service Fee \$0

*Southwest Financial does not charge an ATM Fee. However, the ATM owner may charge a Surcharge Fee. To avoid a Surcharge Fee, Southwest Financial offers a Surcharge Free ATM Network through the Allpoint and MoneyPass networks. Visit [swfinancial.org](http://swfinancial.org) to find a Surcharge Free ATM close to you.*

ATM International Transaction Fee Pass Through

*Southwest Financial does not charge an International Transaction Fee, which applies to debit card and ATM transactions with a merchant or ATM in an international country, whether the transaction is originally made in US dollars or converted from international currency. However, the merchant or its financial institution may charge a fee which Southwest Financial passes through.*

## ATM/DEBIT CARD TRANSACTION LIMITS

*Aggregate per account, per business day*

ATM/Debit Card PIN Based Purchase \$1,000

Debit Card Signature Based Purchase \$2,500

Debit Card and Credit Card Activation 800-992-3808

Assign or Change PIN 800-992-3808

Report Card Lost or Stolen 214-630-7111

Report Card Lost or Stolen After Hours 800-472-3272

## REPLACEMENT FEES

*Per Card*

Debit Card Replacement \$10

Debit Card Rush Service Fee \$50

## EXTERNAL TRANSFER AND PAY A FRIEND TRANSFER LIMITS

*Must have Southwest Financial checking account.*

Daily Transfer Limit *per business day* up to \$500\*

*\*Weekly and monthly limits may also apply*

# Non-Sufficient Funds, Returned Items, Courtesy Pay and Overdraft Protection

---

## NON-SUFFICIENT FUNDS AND RETURNED ITEMS

*Applies to checks and other withdrawals from your account that Southwest Financial returns without paying due to non-sufficient funds.*

Tiered As Follows – Resets Annually, January 1st

\$10 or less	No fee
Over \$10	\$30 each presentment

You may be charged multiple NSF fees for the same item if the payee resubmits a previously returned item for payment and the item is returned again upon re-presentment.

Extended Overdraft Fee \$0

*An Extended Overdraft Fee is a fee that is charged for every day your account is overdrawn. Southwest Financial does not charge this fee.*

Returned Deposit Item Fee \$30

*Each item you deposit (check, electronic deposit, etc.) into an account that is later returned.*

You may incur multiple Returned Deposit Item Fees if the paying financial institution returns a previously deposited item again upon re-presentment.

## COURTESY PAY

*Overdrafts created by checks and other withdrawals from your account that Southwest Financial, in its sole discretion, elects to pay. Must Opt-In to use this service.*

Tiered As Follows – Resets Annually, January 1st

\$10 or less	No fee
Over \$10	\$30 each presentment

Extended Overdraft Fee \$0

*An Extended Overdraft Fee is a fee that is charged for every day your account is overdrawn. Southwest Financial does not charge this fee.*

## OVERDRAFT PROTECTION (ODP)

*Funds available in your savings account (or other linked account) are automatically transferred to your checking account (or designated checking account) to cover presented items when you don't have sufficient funds in your checking account.*

Overdraft Transfer Fee \$0

### ODP Transfer Amount

ODP from a Southwest Financial credit card Exact Amount of the Overdraft  
*Refer to your credit card agreement for interest, fees and charges associated with credit card cash advances.*

ODP from linked savings or checking account Exact Amount of the Overdraft  
*Sufficient available funds must be available in the protecting account.*

ODP from a Southwest Financial line of credit Exact Amount of the Overdraft  
*Refer to your line of credit agreement for interest, fees and charges associated with credit card cash advances.*

## Credit Card Fees

---

Late Payment Fee	Up to \$39
Card Replacement Fee	\$10
Card Rush Service Fee	\$50
Over the Limit Fee	\$15

## Share Certificate Early Withdrawal Penalties

---

*For maturities of*

More than 30 days and up through 1 year

90 days dividends

More than 1 year but fewer than 5 years

180 days dividends

5 Years or more

365 days dividends

## Other Service Fees

---

Shared Branching Fee	\$3 per transaction
Invalid Address/Returned Mail	\$3 per item
Bill Payment Service Fee <i>Must have Southwest Financial checking account</i>	\$0
Bill Payment Overnight Service Fee <i>Must have Southwest Financial checking account</i>	\$30 per item
Stop Payment Fee and Renewals	\$30 per item
Paper Statement Fee	\$3 per statement
Statement Copy Fee <i>Southwest Financial provides access to the last 12 months of statement history at no charge via digital banking at <a href="http://swfinancial.org">swfinancial.org</a></i>	\$2 per statement
Returned Deposited Item/Loan Payment	\$30 per item/payment
Items Sent for Payment Collection	\$30 per item or Pass Through, whichever is greater
Loan Payment Fee By Phone	\$10 per payment <i>No fee for on-line payments</i>
Check Copy Fee <i>Southwest Financial provides access to checks written by you at no charge via digital banking at <a href="http://swfinancial.org">swfinancial.org</a></i>	See Research Fee
Research Fee (1/2 hour minimum)	\$30 per hour
Legal Process Fee <i>Processing of any garnishment, tax levy, or other legal order against an account, whether or not funds are actually paid</i>	Up to \$50
Legal Process Attorney's Fees <i>If Southwest Financial incurs any attorney's fees in order to process a transaction at your request or as required by law</i>	Actual Expense Incurred

## Contact Information

---

Southwest Financial Federal Credit Union  
1750 Valley View Lane, Ste 110  
Farmers Branch, TX 75234

Click: [swfinancial.org](http://swfinancial.org)

Text: 214-613-0834

Call: 214-630-7111