

**UNIVERSITY FEDERAL CREDIT UNION
ABILITY CARD TERMS AND CONDITIONS**

Please keep these Terms and Conditions handy and refer to them when you need to. And remember, whenever you have a question, you can call or write to us at (512) 467-8080 in Austin, (409) 797-3300 in Galveston or US Toll-free (800) 252-8311.

University Federal Credit Union
PO Box 9350
Austin, TX 78766-9350

You can also stop by your local Financial Center and talk to one of our representatives; they'll be happy to help.

This agreement (the "Agreement") governs the issuance and use of the UFCU Ability Debit Card ("Ability Card"). By opening an Ability Account and signing, using, or permitting anyone else to use a UFCU Ability Card, or otherwise accessing or increasing the underlying amount of funds credited to your UFCU Ability Card, you request that we issue one or more Ability Cards for your Ability Account, and you agree to this Agreement. In this Agreement, the terms "we," "us," "our," and UFCU mean University Federal Credit Union, and "you" and "your" mean the individual who opens the UFCU Ability Account, which may be accessed by the Ability Card, and any joint Owners on the Ability Account. Capitalized terms used in this Agreement but not defined herein have the same meaning as in the Master Agreement and Disclosures, which are incorporated into this Agreement. In the event of any inconsistency between this Agreement and the Master Agreement and Disclosures, the terms of this Agreement shall control unless the Master Agreement and Disclosures specifically provide otherwise.

IMPORTANT DEFINITIONS

Below are definitions of some important terms used throughout this Agreement:

"UFCU Ability Card" or "Card": means a fully functional, general-use prepaid VISA® debit card issued to you at one of our Financial Centers.

"Prepaid Account" or "Ability Account": means the underlying share account that can be accessed with the UFCU Ability Card. We may often call this the "balance on your Card," but at times you may see it as the "balance in your Ability Account." Your Ability Account is a Share Account established in your name and is the primary funding source for the Ability Card. You will have an Account number, which will be different than your Card number, and you will need to use that number to establish Direct Deposit. You agree that only funds belonging to you shall be deposited to your Prepaid Account.

"Available Balance": means the balance on your Card after deducting (1) deposits that are not yet available for withdrawal under our Funds Availability Policy, (2) Card transactions that we are legally obligated to pay or have already paid out in cash, and (3) any legal holds on your Card. We may often call this the "balance on your Card", but at times you may see it as the "balance in your Ability Account".

"PIN": means a four (4) digit personal identification number that you select or when you are issued an Ability Card. A PIN is needed in order to use many of the features of the Card (e.g., ATM transactions).

"UFCU-owned ATMs": means ATMs owned by UFCU, some of which can accept deposits.

"eStatements": means the electronic method in which you receive your monthly statements.

1. YOUR UFCU ABILITY CARD

A UFCU Ability Card may be used to withdraw cash at any ATM and at merchant locations to purchase various goods and services. In order to obtain a UFCU Ability Card, you must initially open and deposit at least \$25 to an Ability Account, plus a one-time Membership Fee of \$1. You will be able to increase the balance on your Card ("we may also call this depositing to your Account") at any time in any amount through an electronic deposit or transfer or by depositing cash or check(s) in person at any UFCU-owned ATM or UFCU Financial Center. The UFCU Ability Account is a limited transaction Share Account. Unlike a Checking Account, checks cannot be drawn off the Ability Account, all overdraft privileges and overdraft fees are disabled, and the Ability Account will not earn dividends. In addition to making withdrawals and transfers using your Card, you may also make withdrawals and transfers from and to your Ability Account in person and by way of the automated Phone Banking and the Mobile Banking systems if you have enrolled for those services. In order to open and maintain an Ability Account with Ability Card access, you must agree to receive your monthly Account statement electronically by enrolling in our eStatement program.

A. Card Use

The UFCU Ability Card is a reloadable, prepaid VISA® debit card that allows you to spend only up to the amount that is available in your Ability Account. You may not stop payment of transactions initiated through use of the Card. You agree that the Card is our property and you will return it to us if we ask you to. We make no warranty regarding the merchandise or services purchased with your Card. The Card is not a credit card, and you do not have the right to assert claims or defenses against us regarding the merchandise or services you have purchased with your Card. You agree to contact the merchant to resolve all disputes involving merchandise or services purchased with the Card.

You can use your Card:

At any ATM* or UFCU Financial Center to:

- Withdraw cash
- Transfer money to your Ability Account from other eligible UFCU Accounts under your member number
- Check your balances
- Deposit money to your Ability Account
- Obtain a copy of recent Ability Account activity.

**Please note:* Not all services may be available at all ATMs that are not UFCU-owned. If you withdraw cash, transfer money or check balances at an ATM that is not UFCU-owned, we may charge a fee, as set forth in the Ability Card Fee Schedule in Section 14, in addition to the charge imposed by the non-UFCU ATM operator.

At participating merchants to:

- Purchase goods and services online or in store. You should know your Account balance before each purchase. If you have arranged with your merchant to pay for your purchases via recurring Card transactions, you must notify the merchant if your Card number or expiration date has changed or if your Ability Account is closed.
- Withdraw cash from your Ability Account while making a purchase of goods or services through the use of your PIN.

Point of sale transactions may be processed as signature-based (using the “credit” option) or PIN-based (using the “debit” option). Choosing the credit option, however, does not mean that the Card is a credit card.

At participating financial institutions to:

- Obtain cash through a teller cash advance. Just ask any teller representative at a participating financial institution (where you see a VISA® sign) that you’d like to make a cash advance with your Card. The participating financial institution may charge a fee for a teller cash advance.

B. Card Balance

You may use your Card for purchases online or in store at participating merchants, as well as for other electronic funds transfers up to the Available Balance on your Card. You agree not to use your Card to make purchases that exceed your Available Balance and you understand that such purchases will ordinarily be declined; however, you agree to pay us promptly if the balance on your Card becomes negative. You should have money in your Ability Account before you make a purchase and record it right away regardless of when the purchase is actually subtracted from your Account balance. If you obtain a refund for something you purchased with your Card, you agree that the merchant may issue a credit to your Ability Account in lieu of a cash refund.

C. Daily Limits

To protect your Ability Account balance, there are daily dollar limits for withdrawals and Card purchases, even if you have an Available Balance of more than the daily dollar limit; however, we may allow transactions that exceed your limit. We may also change your limits, and will notify you if we do so; however, for security reasons there may be times when we temporarily reduce these daily limits without notice.

- You may make cash withdrawals, not to exceed \$1,000 per day at any ATM.
- You may also make purchases with your Card at participating merchants, withdraw cash at a UFCU Financial Center, or obtain a cash advance from a participating financial institution, in the amount not to exceed \$2,000 per day.

Card access to your Ability Account may be suspended if there are no transactions processed in an 18-month period. Also, for your protection, we may block access to your Ability Account if we suspect fraud. In such cases, we may issue a new Card for your Ability Account. Your Card may not be used for purchases after the “good thru” date on the front of the Card. The “good thru” date means that the Card expires on the last day of the month and year stated as the “good thru” date. Provided your Ability Account is in good standing, which is defined as (i) the Ability Account has not been inactive for at least 18 months, (ii) the Card has not been blocked, and (iii) the Account Owner(s) are in good standing as determined by the Credit Union in its sole discretion, a new Card will normally be issued on or before the “good thru” date. We may, however, refuse to issue a new Card at the time of renewal in our sole discretion.

D. Business Days

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

E. Holds and Special Purchases

Most merchants ask us to authorize your purchase. When we give authorization to a merchant, we will reserve or place a hold on funds on your Ability Account, generally for up to 3 business days, to pay for your purchase. If the authorization is more or less than your actual purchase amount, the hold may remain for a day or two even after your purchase amount is paid from your Ability Account. The purchase amount will be paid from your Ability Account balance whenever the merchant sends the transaction to us, even if that is after the hold has expired.

At gas stations, where you pay at the pump, and the final amount of your gas purchase is not known when the gas station requests the purchase authorization from us, in most cases we will attempt to authorize up to \$50 even if that pump seeks authorization for a lower amount. If \$50 is more than your Available Balance at the time you inserted your Card into the pump, we may not authorize your purchase and your Card will be declined or we may give the merchant an authorization for an amount less than \$50 up to the amount of your Available Balance. If \$50 is less than your Available Balance, you agree that we have the right to temporarily hold the authorized amount (\$50) from your Available Balance, even if it is greater than the purchase amount, and that, depending upon your remaining balance, this could cause another subsequent purchase to be declined. To avoid a declined purchase, or incurring a hold greater than your actual purchase, pay for your gas purchase at the cashier and ask them to authorize your purchase for no more than the actual purchase amount.

Sometimes merchants will check your Card balance to see if there is enough money to pay for an anticipated purchase amount, which might be more than the actual purchase amount (i.e. including a tip). If the anticipated purchase amount is greater than the actual purchase amount and you do not have enough money on the Card to pay the anticipated purchase amount, the merchant may decline your Card.

F. Our Right to Refuse Transactions

In addition to all other rights we have under this Agreement, we can refuse (decline) a transaction when your Card has been reported lost or stolen or when we reasonably believe there is potentially fraudulent, suspicious or illegal activity on your Card.

G. Card and PIN Security

You agree to keep the Card and PIN in a place of safekeeping, to refrain from disclosing your PIN to any unauthorized third party, and to refrain from writing your PIN on the Card. You agree that the use of the Card and PIN by you, any other applicant, any party to your Ability Account, anyone you permit or authorize to use your Card and PIN, and anyone to whom you disclose your PIN or give access to your Card and PIN shall be deemed an authorized use for which you shall be liable. You are responsible for reporting the loss or theft of your Card or PIN to us as soon as possible after the loss or theft.

H. ATM Safety and Safeguarding Your Ability Account Information

Be safe at ATMS – Your safety is our chief concern. We advise you always to use common sense and be aware of your surroundings before, during, and after you use an ATM. Here are some additional tips:

- Choose an ATM that is in a well-lit environment.
- If an ATM looks unusual or altered, don't use it. If you suspect the ATM isn't working properly, cancel the transaction and find another machine.
- At a walk-up ATM, minimize transaction time by having your Card ready to use. At a drive-up ATM, keep your car engine running and lock your doors.
- Stand between the ATM and anyone waiting to use the machine so others can't see your PIN or the transaction amount.
- As soon as your transaction is complete, remember to remove your Card from the ATM, and then quickly put away your money, receipt, and Card.
- Contact the police if you see any suspicious activity at the ATM. If you think you are being followed from an ATM, go to a busy area and immediately contact police.

Keep your PIN confidential – Never give your PIN to anyone and never write it down.

In addition, to keep your Card information safe:

- Change your PIN from time to time and choose a PIN that others can't easily figure out. For example, don't use your birthday or telephone number.
- To change your PIN (or if you forget your PIN), visit any UFCU Financial Center or request a new PIN through our automated Phone Banking system.
- A UFCU employee will never ask you for your PIN or the numbers on the back of your Card.

Protect your Card as you would a credit card or cash. Report a lost or stolen Card immediately so we can take precautions to ensure your Card isn't misused.

2. ADDING MONEY TO YOUR UFCU ABILITY ACCOUNT

You can fund or "load" your Ability Account by simply:

- Signing up for Direct Deposit
- Making a cash or check deposit at a UFCU-owned ATM which accepts deposits or at any UFCU Financial Center
- Depositing checks using UFCU Mobile Deposit
- Transferring money into your Ability Account by way of the Online Banking, the automated Phone Banking, or the UFCU Mobile Banking systems, or at a UFCU-owned ATM
- Transferring money to your Ability Account from an eligible UFCU account

We encourage you to use Direct Deposit whenever possible so your payroll or government benefits checks can't be stolen or lost in the mail. When we receive an electronic deposit to your Ability Account, the only notice you will receive is on your next Account eStatement. You may use the automated Phone Banking, the Online banking, or the Mobile Banking systems, or call us to confirm that we have received a deposit. If the bank that sent an electronic deposit notifies us that it was sent by mistake, or was intended for another member or Account, we may deduct the amount from your Ability Account without notice.

3. FUNDS AVAILABILITY

All check deposits to an Ability Account are subject to the following funds availability terms and to our Funds Availability Policy Disclosure as set forth in the Master Agreements and Disclosures. To the extent of any inconsistency, the following terms supersede the terms of the Funds Availability Policy Disclosure. Deposits made at shared branch locations are subject to the funds availability policy of the shared branch at which the deposit is made.

Next-Day Availability:

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

- U.S. Treasury checks that are payable to you
- Checks drawn on University Federal Credit Union

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

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

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

All Other Checks:

For all other checks, the first \$200 from a deposit will be available on the first business day after the day of your deposit. The remaining funds will be available on the second business day after the day of your deposit. For example, if on a Monday you deposit a \$700 check not subject to next-day availability, \$200 of the deposit is available on Tuesday. The remaining \$500 is available on Wednesday.

Longer Delays May Apply:

Funds you deposit by check may be delayed for a longer period when you deposit checks totaling more than \$5,000 on any one day. We will notify you if we delay your ability to withdraw funds for this reason, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

4. Liability for Failure to Complete Transactions

If we do not properly complete a transaction to or from your Ability Account, according to this Agreement, we may be liable for your losses or damages. However, there are some exceptions. We will not be liable if:

- Your Ability Account does not contain enough money to make the transaction through no fault of ours.
- The ATM where you are making the transaction does not have enough cash.
- The ATM terminal was not working properly and you knew about the breakdown when you started the transaction.
- Your Card is retrieved or retained by an ATM.
- Your Card or PIN has been reported lost or stolen and we have blocked the Account.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- If you fail to follow this Agreement or the Master Agreements and Disclosures
- There may be other exceptions stated in our agreements with you.

In no event will we be liable for incidental, consequential, or special damages unless required by law.

5. Contact in Event of Unauthorized Use

If you believe your Card or PIN has been lost or stolen or that someone has transferred or may transfer money from your Ability Account without your permission, call or write to us immediately at the telephone number or address listed above. Calling us immediately is the best way to keep your possible losses down.

6. Liability for Unauthorized Use

Tell us AT ONCE if you believe your Card or PIN has been lost or stolen. Telephoning us is the best way of keeping your possible losses down. You could lose all the money in your Ability Account. Our telephone numbers for notification of unauthorized use appear at the beginning of this Agreement.

For Point-of-Sale (Signature-based) Transactions at VISA Terminals:

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

For All Other Transactions:

If you tell us within two business days, you can lose no more than \$50 if someone used your Card or PIN without your permission.

If you do NOT tell us within two business days after you learn of the loss or theft of your Card or PIN, and we can prove we could have stopped someone from using your Card or PIN without your permission if you had told us, you could lose as much as \$500.

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

7. Documentation

Terminal Transfers - You can get a receipt at the time you make any transfer of more than \$15 to or from your Ability Account using an ATM or a point-of-sale terminal.

Periodic Statements - You will receive a monthly Account Statement from us for your Ability Account unless there are no transfers in a particular month. In any case, you will receive a statement at least quarterly.

8. International Transactions

If you effect an international transaction with your Card, the rate of exchange between the transaction currency and the billing currency used for processing the transaction will be a rate selected by VISA from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA itself receives, or the government-mandated rate in effect for the applicable central processing date and in each instance, plus a Foreign Transaction Fee as set forth in the Ability Card Fee Schedule in Section 10. The Foreign Transaction Fee will apply to all international purchase, cash advance, and credit voucher transactions, even if there is no currency conversion.

9. Confidentiality

We may disclose information to third parties about your Ability Account or transfers you make:

- When it is necessary to complete an electronic transaction
- In order to verify the existence and conditions of your Ability Account for a third party such as a credit bureau or merchant
- In order to comply with a government agency or court order, or any legal process
- If you give us written permission.

10. Illegal Transactions

You may not cause or allow the Card to be used in any manner or for any transaction that we believe poses an undue risk of illegality, and we may refuse to authorize any such use or transaction. If you use your Card for a transaction that is determined to be illegal, you will be

liable for the transaction. You also waive any right to take legal action against the Credit Union for your illegal use of the Card, and you agree to indemnify and hold the Credit Union and VISA International, Inc. harmless from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use.

11. AMENDMENT AND TERMINATION

We may add to, amend, or delete any of the terms of this Agreement, and we may terminate this Agreement at any time, subject to such notification as required by applicable law.

12. SPECIFIC TERMS APPLICABLE TO YOUR ABILITY ACCOUNT

- Dividend Information: No dividends are paid on this Account.
- Minimum Balance Requirements: The minimum balance required to open this Account is \$25.
- Transaction Limitations: No transaction limitations apply to this Account.
- Fees: For fees that may apply in connection with this Account, please see Section 14 of this Agreement.

Please refer to the Account Disclosures section of the Master Agreement and Disclosures for General Terms Applicable to All Accounts.

13. LIEN IMPRESSMENT AND SET-OFF.

As set forth in the Account Agreement section of the Master Agreements and Disclosures, you agree that we may impress and enforce a statutory lien upon your Accounts with us to the extent you owe us any money and we may enforce our right to do so without further notice to you. We have the right to set-off any of your money or property in our possession against any amount you owe us. The right of set-off and our impressed lien do not extend to any Keogh, IRA or similar tax deferred deposit you may have with us. If your Account is owned jointly, our right of set-off and our impressed lien extends to any amount owed to us by any of the joint owners.

14. FEES PERTAINING TO YOUR UFCU ABILITY ACCOUNT AND CARD

You agree to pay all UFCU fees identified below. We may reduce the balance in your Ability Account for these fees at any time. If sufficient funds are not available in your Ability Account to satisfy your fee obligations, you authorize us to debit any other eligible Account on which you are an Owner for the amount of fees owed without notice. Additional fees, as set forth in our Truth in Savings Fee Schedule, may apply in connection with the use and maintenance of your Ability Account and Card.

MONTHLY SERVICE FEE	Monthly Service Fee	\$5.00 per month, debited from your Ability Account on the last day of each month.
FEES FOR TRANSACTIONS AT ATMS THAT ARE UFCU-OWNED OR IN THE AUSTIN ALLIANCE OF CREDIT UNIONS	Deposit	\$0 to add money at UFCU-owned ATMs or UFCU Financial Centers
	Withdrawal	\$0 to withdraw cash
	Inquiry or Transfer	\$0 to check balance or transfer money
FEES FOR TRANSACTIONS AT ATMS THAT ARE NOT UFCU-OWNED OR IN THE AUSTIN ALLIANCE OF CREDIT UNIONS	Withdrawal, Inquiry or Transfer	\$1 each, plus any fees the ATM owner charges
OTHER FEES	Overdraft Transfer Fee	NONE – NOT AN OPTION (Your Ability Account balance may at times be less than \$0, but you will not be charged an Overdraft Fee)
	Courtesy Pay Fee	NONE – NOT AN OPTION (Your Ability Account balance may at times be less than \$0, but you will not be charged a Courtesy Pay Fee)
	Returned Item Fee (Non-sufficient Funds)	NONE - We do not charge a fee if we refuse to pay a transaction due to non-sufficient available funds in your Ability Account.
	Deposited Item Returned	\$5 for each check you deposit that is made payable to you and is returned unpaid
	Charge Back Item	\$30 for each check you deposit that is drawn on your account at another financial institution and is returned unpaid
	VISA® International Service Fee	1% of transaction amount
	Card Replacement	\$5 per card (fee does not apply when we reissue your Card at time of Card expiration)