

CHANGES TO THE GENCO FEDERAL CREDIT UNION MEMBERSHIP AND ACCOUNT AGREEMENT

GENCO Federal Credit Union is making the following changes to our Membership and Account Agreement, which are effective May 10, 2022 ("Effective Date"). By continuing to use your account on or after the Effective Date, you agree to be bound by these changes. If you should have any questions about these changes, please contact us at (254) 776-9550.

THE FOLLOWING CHANGES INCLUDE A WAIVER OF CLASS ACTION PARTICIPATION, WAIVER OF RIGHT TO JURY TRIAL, AND LIMITATION ON TIME PERMITTED FOR INITIATING LEGAL ACTION

1. Expansion of the defined terms "you," "your" and "yours"

The second sentence of the first paragraph of the Agreement is revised as follows:

In this Agreement, the words "you," "your," and "yours" mean anyone who signs an Account Card, Account Change Card, or any other account opening document (Account Card) or for whom membership and/or service requests are approved through the Credit Union's online application and authentication process.

2. Expansion of account type and ownership feature designations

The first sentence of the second paragraph of the Agreement is revised as follows:

Your account type(s) and ownership features are designated by you on your Account Card, or through the Credit Union's online application and authentication process.

3. Change to Texas Probate Code reference

The reference to Texas Probate Code Section 436(6) is revised to read "Texas Estates Code Section 113.003."

4. Expansion of membership requirements and authorization for Credit Union to use credit reports

The **Membership Eligibility** section adds that you may also be required to pay a membership fee in connection with establishing your membership if required by the Credit Union's bylaws. This section also adds your authority for us to use your credit reports to verify eligibility for other accounts, products, or services we may offer you or for which you may qualify.

5. Clarification of ownership of funds by Payable on Death (POD) beneficiaries

The **POD Account** section adds that, unless state law provides for different ownership or as permitted or documented by us, the beneficiaries will own the funds jointly in equal shares without rights of survivorship when there is more than one surviving beneficiary.

6. Expansion of statement that the Credit Union has no duty to inquire about the use or purpose of any transaction

The **Accounts for Minors, Accounts Subject to TUTMA**, and **Convenience Accounts** sections add that the Credit Union has no duty to inquire about the use or purpose of any transaction, except as required by applicable law.

7. Broadening of restrictive endorsement requirements for checks deposited by way of the Remote Deposit service

The **Deposit of Funds Requirements** section, **paragraph a.**, adds that, if the Credit Union offers a remote deposit service (such as Mobile Deposit) and you have been approved to use the service to make deposits to your account, you agree that, prior to transmitting check or draft images, you will restrictively endorse each original check or draft in accordance with the agreement that governs the service.

8. Modification direct deposit terms

The **Deposit of Funds Requirements** section, **paragraph e.**, deletes the 30-day requirement to cancel or change a direct deposit or preauthorized transfer and adds that any cancellation or change of a direct deposit or preauthorized transfer will become effective once we receive notice from you and have a reasonable time to act on your request.

The provision in the **Deposit of Funds** section, **paragraph e.** regarding continuing to apply payments from direct deposits in accordance with your authorization after receiving bankruptcy filing is deleted.

9. Revision of power of attorney terms

The last sentence of the **Account Access** section, **paragraph b.** is revised as follows:

We may refuse to honor a power of attorney if our refusal is conducted in accordance with applicable state law.

10. Rewrite of ACH and Wire Transfers section and addition of new terms

The **ACH & Wire Transfers** section is revised as follows:

FUND TRANSFERS - Fund transfers we permit that are subject to Article 4A of the Uniform

Commercial Code, such as wire transfers, will be subject to such provisions of the Uniform Commercial Code as enacted by the state where the main office of the Credit Union is located, except as otherwise provided in this Agreement. ACH transfers are subject to rules of the National Automated Clearinghouse Association (NACHA). We may execute certain requests for fund transfers by Fedwire which are subject to the Federal Reserve Board's Regulation J.

a. Authorization for Transfers/Debiting of Accounts. You may make or order fund transfers to or from your account. We will debit your account for the amount of a fund transfer from your account and will charge your account for any fees related to the transfer.

b. Right to Refuse to Make Transfers/Limitation of Liability. Unless we agree otherwise in writing, we reserve the right to refuse to execute any payment order to transfer funds to or from your account. We are not obligated to execute any payment order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available balance in your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control including mechanical, electronic or equipment failure. In addition, we will not be liable for consequential, special, punitive or indirect loss or damage you may incur in connection with fund transfers to or from your account.

c. No Notice Required. We will not provide you with notice when fund transfers are credited to your account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received.

d. Interest Payments. If we fail to properly execute a payment order and such action results

in a delay in payment to you, we will pay you dividends or interest, whichever applies to your account for the period of delay as required by applicable law. You agree that the dividend or interest rate paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period.

e. Provisional Credit for ACH Transactions. We may provisionally credit your account for an ACH transfer before we receive final settlement. If we do not receive final settlement, we may reverse the provisional credit or require you to refund us the amount provisionally credited to your account, and the party originating the transfer will not be considered to have paid you.

f. Payment Order Processing and Cut-off Times. Payment orders we accept will be executed within a reasonable time of receipt. Unless we have agreed otherwise in writing, a payment order may not necessarily be executed on the date it is received or on a particular date you specify. Cut-off times may apply to the receipt, execution and processing of fund transfers, payment orders, cancellations, and amendments. Fund transfers, payment orders, cancellations, and amendments received after a cut-off time may be treated as having been received on the next fund transfer business day. Information about any cut-off times is available upon request. From time to time, we may need to temporarily suspend processing of a transaction for greater scrutiny or verification in accordance with applicable law. This action may affect settlement or availability of the transaction.

g. Identifying Information. If your payment order identifies the recipient and any financial institution by name and account or other identifying number, the Credit Union and any other financial institutions facilitating the transfer may rely strictly on the account or other identifying number, even if the number

identifies a different person or financial institution.

h. Amendments and Cancellations of Payment Orders. Any account owner may amend or cancel a payment order regardless of whether that person initiated the order. We may refuse requests to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order.

i. Security Procedures. We may require you to follow a security procedure to execute, amend or cancel a payment order so that we may verify the authenticity of the order, amendment or cancellation. You agree that the security procedure established by separate agreement between you and the Credit Union is commercially reasonable. If you refuse to follow a commercially reasonable security procedure that we offer, you agree to be bound by any payment order, whether authorized or not, that is issued in your name and accepted by us in good faith in accordance with the security procedure you choose.

J. Duty to Report Unauthorized or Erroneous Fund Transfers. You must exercise ordinary care to identify and report unauthorized or erroneous fund transfers on your account. You agree that you will review your account(s) and periodic statement(s). You further agree you will notify us of any unauthorized or erroneous transfers within the time frames described in the "Statements" section of this Agreement.

k. Recording Telephone Requests. You agree that we may record payment order, amendment

and cancellation requests as permitted by applicable law.

I. Remittance Transfers. A “remittance transfer” is an electronic transfer of funds of more than \$15.00 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. If we act as a remittance transfer provider and conduct a remittance transfer(s) on your behalf, the transaction(s) will be governed by 12 C.F.R. part 1005, subpart B - Requirements for Remittance Transfers. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time such services are requested and rendered in accordance with applicable law.

11. Rewrite of Overdrafts Section, including addition of new terms regarding potential for multiple fees for resubmitted return items, how transactions are posted to your account, and understanding your account balance

The Overdrafts section is revised as follows:

OVERDRAFTS

a. Payment of Overdrafts. If, on any day, the available balance in your share or deposit account is not sufficient to pay the full amount of a check, draft, transaction, or other item, plus any applicable fee, that is posted to your account, we may return the item or pay it, as described below. The Credit Union's determination of an insufficient available account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. We do not have to notify you if your account does not have a sufficient available balance in order to pay an item. Your account may be subject to a fee for each item regardless of whether we pay or return the item. We may charge a fee each time an item is submitted or resubmitted for payment;

therefore, you may be assessed more than one fee as a result of a returned item and resubmission(s) of the returned item.

If we offer standard overdraft services, this service allows us to authorize payment for the following types of transactions regardless of whether your share or deposit account has sufficient funds: (1) share drafts/checks and other transactions made using your checking account, except as otherwise described below; (2) automatic bill payments; (3) and ACH transactions. For ATM and one time debit card transactions, you must affirmatively consent to such coverage. Without your consent, the Credit Union may not authorize and pay an ATM or one-time debit card transaction that will result in insufficient funds in your account. You agree that we may rely on the merchant's coding of a transaction to determine if it is a one-time or a recurring (preauthorized) transaction. If you have established a service linking your share or deposit account with other individual or joint accounts, you authorize us to transfer funds from another account of yours to cover an insufficient item, including transfers from a share or deposit account, an overdraft line-of-credit account, or other account you so designate. Services and fees for these transactions are shown in the document the Credit Union uses to capture your affirmative consent and the Fee Schedule.

Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay such items that result in an insufficiency of funds in your account, we do not agree to pay them in the future and may discontinue coverage at any time without notice. If we pay these items or impose a fee that results in insufficient funds in your account, you agree to pay the insufficient amount, including the fee assessed by us, in accordance with our standard overdraft services or any other service you may have authorized with us or, if you do not have such protections

with us, in accordance with any overdraft payment policy we have, as applicable.

b. How Transactions are Posted to Your Account. Basically, there are two types of transactions that affect your account: credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

Credits. Deposits are generally added to your account when we receive them. However, in some cases when you deposit a check, the full amount of the deposit may not be available to you at the time of deposit. Please refer to the Funds Availability Policy Disclosure and the Mobile Deposit Agreement for details regarding the timing and availability of funds from deposits.

Debits. There are several types of debit transactions. Common debit transactions are generally described below. Keep in mind that there are many ways transactions are presented for payment by merchants, and we are not necessarily in control of when transactions are received.

Checks. When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments from low to high dollar value.

ACH Payments. We receive data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions for your

account are posted throughout the day in order of receipt.

PIN-Based Debit Card Purchase Transactions. These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of sale. They are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment.

Signature-Based Debit Card Purchase Transactions. These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed. The “authorization hold” will reduce your available balance by the amount authorized but will not affect your actual balance. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its payment processor. These payment requests are received in real time throughout the day and are posted to your account when they are received. The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, a hold will be placed in an amount equal to the bill presented to you; but when the transaction posts, it will include any tip that you

may have added to the bill. This may also be the case where you present your debit card for payment at gas stations, hotels and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment. This is a general description of certain types of transactions. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law.

c. Understanding Your Account Balance. Your checking account has two kinds of balances: the actual balance and the available balance. Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending. Your available balance is the amount of money in your account that is available for you to use. Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. We use your available balance to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn regardless of your actual balance. In such cases, subsequent posting of the pending transactions may further overdraw your account and be subject to additional fees. You should assume that any item which would overdraw your account based on your available balance may create an overdraft. You may check your available balance online at

www.gencofcu.org, or by calling GENCO's Personal Audio Teller (PAT) at 254-751-0660/800-758-7729, or at an ATM, or by visiting a credit union branch or by calling us at 254-776-9550 or 800-922-6428.

12. Expansion of stale-dated check terms

The last sentence of the **Postdated and Stale-dated Checks or Drafts** section is revised as follows:

We are not obligated to pay any check or draft drawn on your account that is presented more than six months past its date; however, if the check or draft is paid against your account, we will have no liability for such payment.

13. Addition of terms regarding electronic notices received from us

The **Notices** section, **paragraph c.** adds that any written notice we give to you is effective when it is provided electronically, if you have requested or consented to receipt of electronic notices.

14. Addition of new terms regarding failure to provide Taxpayer Identification Number (TIN)

The **Taxpayer Identification Number and Backup Withholding** section adds that, if you fail to provide your TIN within a reasonable time, we may close your account and return the balance to you, less any applicable service fees.

15. Expansion of terms regarding account statements

The **Statements** section, **Paragraph a.**, adds that, if you have requested electronic statements, they are made available to you on the date they are made available electronically.

The **Statements** section, **Paragraph b.**, adds that, unauthorized electronic fund transfers governed by Regulation E are subject to different reporting periods. Please refer to the Electronic Fund Transfers Agreement and Disclosure for

reporting requirements pertaining to electronic fund transfers.

The **Statements** section adds a new **paragraph d.** providing that, if we mail you a statement, we will send it to the last known address shown in our records. If you have requested to receive your statement electronically, we will send the statement or notice of statement availability to the last e-mail address shown in our records.

16. Addition of terms regarding restriction of account access and services

The **Termination of Membership** section is re-titled as **Termination of Membership; Limitation of Services** and the following new terms are added:

We may restrict account access and services without notice to you when your account is being misused; you are delinquent in any obligation owed to the Credit Union; you have demonstrated conduct which is abusive in nature; as outlined in any policy we have adopted regarding restricting services; or as otherwise permitted by law.

17. Clarification of authority to pay checks after account owner's death

The **Death of Account Owner** section is revised to provide that, even if we have knowledge of an account owner's death, we may continue to pay checks or drafts or honor other payments or transfer orders authorized by the deceased owner for a period of ten days after the owner's death unless we receive instructions from any person claiming an interest in the account to stop payment on the checks, drafts, or other items.

18. Addition of new terms regarding waiver of class action participation, waiver of right to jury trial, and permitted time for initiating a legal action

The following new terms are added:

WAIVER OF CLASS ACTION PARTICIPATION – To the extent not prohibited by applicable law, you and the Credit Union 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 the Credit Union also 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.

WAIVER OF RIGHT TO JURY TRIAL - To the extent not prohibited by applicable law, you and the Credit Union 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.

PERMITTED TIME FOR INITIATING LEGAL ACTION – You must file any lawsuit arising out of or relating to this Agreement within two years after the cause of action arises unless applicable law provides for a shorter limitations period. For purposes of a lawsuit concerning a fee or charge assessed to your account, the cause of action will be deemed to have arisen or accrued on the date the first such fee or charge being complained of was assessed, regardless of whether you had actual or constructive knowledge of any such cause of action, and you expressly waive any application of or reliance on any theory or doctrine of a continuing violation of a breach or any other doctrine which might otherwise serve to toll or delay the beginning of the two-year limitation period.

19. Addition of new terms regarding monitoring and recording of communications between you and us

The following new section is added:

MONITORING AND RECORDING COMMUNICATIONS - We may monitor and record communications between you and us, including telephone conversations, electronic messages, electronic records, or other data transmissions that affect your accounts or other products and services. Except as otherwise prohibited by applicable law, you agree we may monitor and record such communications without your approval or further notice to you.

20. Addition of new terms regarding your consent for us to contact you

The following new section is added:

CONSENT TO CONTACT - By signing or otherwise authenticating an Account Card, you agree we and/or our third-party providers, including debt collectors, may contact you by telephone or text message at any telephone number associated with your account, including wireless telephone numbers (i.e. cell phone numbers) which could result in charges to you, in order to service your account or collect any amounts owed to us, excluding any contacts for advertising and telemarketing purposes as prescribed by law. You further agree methods of contact may include use of pre-recorded or artificial voice messages, and/or use of an automatic dialing device. You may withdraw the consent to be contacted on your wireless telephone number(s) at any time by any reasonable means. If you have provided a wireless telephone number(s) on or in connection with any account, you represent and agree you are the wireless subscriber or customary user with respect to the wireless telephone number(s) provided and have the authority to give this consent. Furthermore, you agree to notify us of any change to the wireless

telephone number(s) which you have provided to us.

In order to help mitigate harm to you and your account, we may contact you on any telephone number associated with your account, including a wireless telephone number (i.e., cell phone number), to deliver to you any messages related to suspected or actual fraudulent activity on your account, data security breaches or identity theft following a data breach, money transfers or any other exigent messages permitted by applicable law. These contacts will not contain any telemarketing, cross-marketing, solicitation, advertising, or debt collection message of any kind. The contacts will be concise and limited in frequency as required by law. You will have an opportunity to opt-out of such communications at the time of delivery.