



USAA Federal Savings Bank
 10750 McDermott Fwy.
 San Antonio, TX 78288-0544

Traditional and Roth IRA Application

STEP 1: Read the USAA Traditional/Roth IRA Disclosure Statements and Custodial Agreements.

STEP 2: Complete all of the information on pages 1-4 of the application.

STEP 3: Make checks payable to USAA Federal Savings Bank.

STEP 4: Return completed application to USAA Federal Savings Bank, Attn: IRA Sales and Service.

IMPORTANT INFORMATION: Federal law requires us to obtain, verify and record your name, address, date of birth and other information that will allow us to identify you when you open an account and in certain other circumstances.

Personal Information

USAA Number _____ Social Security Number _____ Date of Birth (mm/dd/yyyy) _____

First Name _____ MI _____ Last Name _____

Physical Address (P.O. Box cannot be used) _____ City _____ State _____ Zip Code _____

Mailing Address (if different) _____ City _____ State _____ Zip Code _____

Residence Phone Number (include area code) _____

Are you a U.S. citizen? Yes No

If no, please specify country of citizenship: _____

AND provide one or both of the following valid numbers:

U. S. Alien Identification Card number _____

Passport number issued by country of citizenship _____

Product Information

IRA Plan Type

Check one:

Traditional IRA

Roth IRA

Deposit Type

A. Contribution (if applicable)

Amount \$ _____ (\$250 minimum) Contribution year _____ (If left blank, contributions will apply to current year.)

B. Transfers (if applicable)

If you currently have assets in an IRA with another financial institution, you can transfer them to a new identically registered USAA IRA without incurring income taxes or IRS penalties.

Transfer from Custodian to Custodian — also complete IRA Transfer Request (available on usaa.com)

Traditional to Traditional Amount \$ _____ or Entire Balance _____

Roth to Roth Amount \$ _____ or Entire Balance _____

Internal transfer from an existing USAA Federal Savings Bank IRA

IRA Account # _____ Amount \$ _____

USAA Federal Savings Bank 1-800-531-8722 Fax 1-800-531-5717 usaa.com

84603-0217

C. Rollover (if applicable)

You can rollover retirement money directly from your employer's retirement plan to a USAA IRA.

Direct rollover from qualified plan: ie. (TSP, 401(k), 403(b), government-sponsored 457 Plan, etc.

*Please contact your plan administrator to initiate the direct rollover.

60-day Rollover (funds you received from previous distribution being re-deposited within 60 days of receipt)

Select Investment option and term

Certificate of Deposit
—Fixed Rate

Certificate of Deposit
—Adjustable Rate

Certificate of Deposit
—Variable Rate*

Money Market Account*
Additional Minimum
Deposits of \$25 allowed

Choose one of following terms:

- 12 month
- 18 month
- 24 month
- 30 month
- 36 month
- 48 month
- 60 month
- 84 month

Adjust rate and make an additional deposit one time during CD term†

Choose one of following terms:

- 36 month
- 48 month
- 60 month
- 84 month

†Maximum 2 percent increase over initial rate. Additional deposits should not exceed IRA annual contribution limits, and must be at least \$50.

Additional Minimum Deposits of \$25 allowed
Automatic Electronic Funds Transfer (EFT) allowed (complete Payment Information-section B)

Choose one of following terms:

- 182 days
- 12 month
- 18 month
- 30 month
- 60 month

Automatic Electronic Funds Transfer (EFT) allowed (complete Payment Information-section B)

If no product is selected, funds will be deposited into a Money Market Account until written instructions are provided

*Rates may change weekly based on market conditions.

Payment Information

A. Initial Deposit

Check one:

Check(s) enclosed in the amount of \$_____.

Debit my existing USAA Federal Savings Bank Checking Savings account for my initial deposit of \$_____. Account #_____

Transfer from external bank in the amount of \$_____. (One Time Deposit)

- Checking Personal
- Savings Business

Name of Financial Institution _____ Name of Account Owner(s) _____ Type of Account _____

Bank Account Number _____ Transit Routing Number (the nine-digit number in the lower-left corner of check or deposit slip) _____

B. Automatic Electronic Funds Transfer (Optional)

I hereby authorize USAA Federal Savings Bank to initiate debit entries to my checking or savings account at the depository financial institution named below, hereafter called Depository, and to debit the same to such account. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U. S. law.

In addition to your initial deposit, you may set up monthly automatic investments (subject to certain annual limits) to be transferred from your financial institution.

Amount \$_____ (minimum \$25)

Specify day between the 1st and 28th of the month for payment: _____

If a date is not specified, payment will occur on the 15th of each month.

- Checking Personal
- Savings Business

Name of Financial Institution _____ Name of Account Owner(s) _____ Type of Account _____

Bank Account Number _____ Transit Routing Number (the nine-digit number in the lower-left corner of check or deposit slip) _____

X
Signature of Other Financial Institution Account Owner (only need if you are not the sole account owner)

Beneficiary Information

Note: If you are married and live in a community property state (AZ, CA, ID, LA, NM, NV, TX, WA, WI) and your spouse is not named as sole primary beneficiary, you should consult your legal adviser about how your state's community property law may affect the validity of your beneficiary designation.

If no beneficiary is selected, the assets in the account will be paid according to the Custodial Agreement in effect at the time of death.

If you are naming a trust, attach the trust document first page, all pages referencing trustee powers and retirement accounts, and the trust document's signature page.

A. Primary Beneficiary(ies) *I hereby appoint and designate the following primary beneficiary(ies) for my IRA.*

The IRA shall be paid to the primary beneficiary(ies) who survives you. If you appoint more than one primary beneficiary, such primary beneficiaries who survive you shall share in your IRA equally, unless you state below a specific percentage of distribution to each primary beneficiary. (Note that all such specific percentages of distribution when added together must total 100%.) If for any reason the percentages do not total 100%, any assets remaining shall be divided equally among the surviving primary beneficiaries. Attach additional pages if you are designating more than two primary beneficiaries.

Beneficiary Name (if trust, provide name of trust and trustee) Social Security Number (or Tax ID Number) Date of Birth (mm/dd/yyyy)

Address % Distribution (Must be whole number)

Beneficiary Name (if trust, provide name of trust and trustee) Social Security Number (or Tax ID Number) Date of Birth (mm/dd/yyyy)

Address % Distribution (Must be whole number)

B. Secondary (Contingent) Beneficiary(ies) *I hereby appoint and designate the following secondary beneficiary(ies) for my IRA.* The IRA shall be paid to the secondary beneficiary(ies) who survive me only if the primary beneficiary (or all of the primary beneficiaries, if I designate multiple primary beneficiaries) does not survive me. In that event, surviving secondary beneficiary(ies) shall share in my IRA equally, unless I state below a specific percentage of distribution to each secondary beneficiary. (Note that all such specific percentages of distribution when added together must total 100%.) If for any reason the percentages do not total 100%, any assets remaining shall be divided equally among the surviving secondary beneficiaries. Attach additional pages if you are designating more than two secondary beneficiaries.

Beneficiary Name (if trust, provide name of trust and trustee) Social Security Number (or Tax ID Number) Date of Birth (mm/dd/yyyy)

Address % Distribution (Must be whole number)

Beneficiary Name (if trust, provide name of trust and trustee) Social Security Number (or Tax ID Number) Date of Birth (mm/dd/yyyy)

Address % Distribution (Must be whole number)

Read and Sign

I hereby establish an Individual Retirement Account (IRA) under the terms and conditions set forth in this Application and the Custodial Agreement which is incorporated herein by reference and supplemented as above. I acknowledge having received and read this Application, the Custodial Agreement and the Disclosure Statement. I understand and agree that the Custodian of my IRA may amend the Custodial Agreement by giving me written notice of any such amendments. If automatic investing is selected, I authorize USAA Federal Savings Bank to begin, and the financial institution named in the Automatic Electronic Funds Transfer section to accept, electronic deposits (credits) and withdrawals (debits) to my designated account(s) and to reverse, if necessary, and deposits or withdrawals made in error to my account(s). Automated debit or credit entries shall constitute my receipt for the transaction(s). This authority is to remain in full force and effect until USAA Federal Savings Bank has received written or phone notification from me of its termination at such time and in such manner as to give USAA Federal Savings Bank reasonable opportunity to act on it.

Information regarding my IRA may be shared with affiliates of the Custodian. If I have chosen to establish a Roth IRA, I hereby certify my modified adjusted gross income will not exceed the limits set forth in the Custodial Agreement for each year that I make a contribution. I agree to indemnify and hold harmless the Custodian as well as its parent, subsidiaries, affiliates, agents, officers, directors and employees, from and against any and all claims, losses, costs, or damages which they may incur in the establishment and maintenance of my IRA.

X

Signature of IRA Owner (Required) Date (mm/dd/yyyy)



Tax Certification (W-9)

Social Security Number:
Entity Type:

Member Information

Name (as shown on your income tax return)

Address

City

State

ZIP

The IRS requires that you furnish your correct Taxpayer Identification Number (Social Security Number or Employer Identification Number) to USAA. If this number is not provided, you may be subject to IRS tax withholding.

Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct Taxpayer Identification Number (Social Security Number or Employer Identification Number); and
2. Unless I have indicated "Yes" following this statement, I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined in the instructions); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct. (Not applicable)

Have you been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return? Yes No

Signature of Primary Accountholder or Custodian for Uniform Transfer to Minor Account Date

USAA Federal Savings Bank 10750 McDermott Freeway San Antonio, Texas 78288-0544

USAA Savings Bank 3773 Howard Hughes Pkwy Ste 190N Las Vegas, Nevada 89169

210-531-USAA (8722) ■ 800-531-8722 ■ Mobile #8722 ■ Fax 800-531-5717 ■ usaa.com

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USAA TRADITIONAL / ROTH IRA

Disclosure Statements and Custodial Agreements

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Disclosure Statement and Custodial Agreements

USAA Traditional IRA Disclosure Statement

This Disclosure Statement outlines the basic provisions of an Individual Retirement Account (IRA) as well as certain features unique to USAA Self-Directed traditional IRAs, USAA Mutual Fund traditional IRAs, and USAA Federal Savings Bank traditional IRAs.

This is merely a general summary for your information. For an interpretation of the applicable IRA and tax laws, contact your tax adviser or district IRS office. IRS Publications 590-A (Contributions to Individual Retirement Accounts (IRAs)) and 590-B (Distributions from Individual Retirement Accounts (IRAs)), contain more information on IRAs generally.

Special Note: This Disclosure Statement discusses the effect and requirements of the federal tax laws. You should consult your tax adviser with regard to the applicable tax laws of your state. This disclosure is not to be regarded as tax advice. Consult your personal tax adviser before making decisions.

ONE – Revocation

An IRA which is established on the date of receipt of this Disclosure Statement, or within seven days thereafter, may be revoked at any time within seven days after the date of establishment of such IRA. An IRA established at least seven days after the date of the receipt of this Disclosure Statement may not be revoked (although it may be terminated).

Revocation must be made by telephone and confirmed in writing to:

For USAA Self-Directed IRAs

USAA IRA Investment Management Company
9800 Fredericksburg Road
San Antonio, Texas 78288
Call 1-800-531-USAA

For USAA Mutual Fund IRAs

USAA Shareholder Account Services
9800 Fredericksburg Road
San Antonio, Texas 78288
Call 1-800-531-USAA

For USAA Federal Savings Bank IRAs

USAA Federal Savings Bank
10750 McDermott Fwy. San Antonio, Texas 78288-0544
Call 1-800-531-USAA

Mailed notice will be deemed given on the date that it is postmarked (or, if sent by certified or registered mail, on the date of certification or registration) if it is deposited in the mail in the United States in an envelope or other appropriate wrapper, first class postage pre-paid, properly addressed. In the event that you decide to revoke your IRA and do so within such seven-day period, you are entitled to a return of the entire amount of your IRA contributions, without adjustment for such items as administrative expenses or fluctuations in market value.

TWO – The Custodial Account

The USAA IRA is a custodial account established for your exclusive benefit or that of your named beneficiaries, as described in Section 408 of the Internal Revenue Code (Code). All amounts contributed to your IRA custodial account will not be forfeitable. The custodial account is established through the use of Internal Revenue Service (IRS) Form 5305-A, which has been approved as to form by the IRS. IRS approval is a determination only as to the form of the account and does not represent a determination of the merits of such an account.

The account holder will be furnished a statement showing the amount of contributions to the account, account earnings, distributions from the

account, and total value of the account as of the end of each reporting period. An IRS Form 5498 reflecting fair market value through year-end will be furnished annually.

THREE – Contributions

A. Form of Contributions

Contributions must be made in cash and may be made at any time from the beginning of the tax year, either periodically or in a lump sum, until the deadline for filing your federal income tax return, generally April 15 of the following year. If you receive a tax return extension for a tax year, you must still make your IRA contribution by the deadline for filing your federal income tax return for that year not including extensions in order to treat the contribution as being made for the prior year. You should consult with your tax adviser as to the manner in which any deduction to which you may be entitled for any such contribution (see Section 5 below) should be taken. You do not have to contribute to an IRA every year.

Additionally, regardless of your age, you may also transfer funds from another IRA or certain employer-sponsored plan distributions to an IRA, which is described in Section 7 of this Disclosure Statement. If you intend to report contributions made between January 1 and the deadline for filing your federal income tax return as contributions for your prior tax year, you should notify us in writing that such contributions have been made on account of such prior tax year. Otherwise, the Custodian will assume the contribution is for the current tax year.

No part of your traditional IRA can be used to buy a life insurance policy. Your account's assets cannot be combined with other property, except in a common trust fund or common investment fund. Your IRA account may not be invested in collectibles, such as antiques, gems, or art. U.S. gold, silver, and platinum coins, certain state coins and certain gold, silver, platinum, or palladium bullion are permitted investments.

B. Limits on Annual Contributions

You are eligible to make contributions to a traditional IRA if you are under age 70½ and if, at any time during the year, you receive taxable compensation (or if you are married and file a joint return, your spouse receives compensation). You cannot make a contribution in the year you reach 70½ or any year thereafter.

Contributions to your traditional IRA for any taxable year may not exceed the lesser of the maximum annual contribution or 100% of your compensation or earned income (less any amounts you contribute to a Roth IRA reduced by your Keogh contribution, if you are self-employed). If you are married, your spouse may also be able to contribute to an IRA. The aggregate and annual amount contributed to both IRAs each year cannot exceed the lesser of the sum of the maximum annual contribution for you and your spouse or 100% of your combined earned income, and no more than the maximum annual contribution may be contributed to either IRA. The maximum annual contribution is \$5,500 for the 2015 and 2016 tax years. The maximum annual contribution will be indexed to the cost-of-living after 2016. For individuals age 50 or older by December 31 of the tax year for which a contribution is made, the maximum annual contribution is increased by \$1,000. Wages, salaries, tips, professional fees, net earnings from self-employment, bonuses, and other amounts you receive for providing personal service, military differential pay and taxable alimony payments are taxable compensation. Dividend, interest, rental, or capital gains income is not compensation. Combat zone military pay, which is generally not included in gross income, is treated as taxable compensation. Compensation paid to you by your employer during a period of active military duty of more than 30 days is treated as taxable compensation. You may not make any contribution (other than a rollover contribution) to your IRA with respect to the tax year in which you reach age 70½ or any subsequent year. However, either you or your spouse may continue to make contributions to your spouse's spousal

Disclosure Statement and Custodial Agreements

IRA and deduct the deductible portion of such payments until the year in which your spouse reaches age 70½.

If you received a distribution from your IRA or an eligible retirement plan during a period of active military duty, you were called to such duty from reserve duty after September 11, 2001, and if the active duty was for an indefinite period or a period of 180 days or longer, you may repay the distribution during the two-year period beginning on the date after the end of your active military duty. Such repayments are in addition to the contributions that you may otherwise be eligible to make for the year of repayment and do not count against the otherwise applicable contribution limits for that year.

If you are a plaintiff in a specified Exxon Valdez civil action (or the beneficiary of a plaintiff) you may contribute qualified settlement income from that civil action to your IRA. The total amount contributed may not exceed \$100,000 (lifetime). The contribution must be made by the due date for filing your federal income tax return, not including extensions.

C. Simplified Employee Pension Plan Contributions

A separate IRA may be established for use by your employer as part of a SEP arrangement. Your employer may contribute to your SEP-IRA up to a maximum of 25% of your compensation or a specified amount, whichever is less. The specified amount is \$53,000 (for 2015 and 2016; this figure is indexed to the cost-of-living for years after 2016). If your SEP-IRA is used as part of a salary reduction SEP established before 1997, you may elect to reduce your annual compensation, up to a maximum of \$18,000 (for 2015 and 2016; this figure is indexed to the cost-of-living for years after 2016), and have your employer contribute that amount to your SEP-IRA. If you are age 50 or older by December 31 of a year, the maximum salary reduction contribution to your SEP-IRA is increased by a catch-up contribution. The maximum catch-up contribution is \$6,000 (for 2015 and 2016; this figure is indexed to the cost-of-living for years after 2016). If your employer maintains both a salary reduction SEP and a regular SEP, the annual contribution limit to both SEPs together is 25% of your compensation or the maximum SEP contribution described above, whichever is less. The maximum amount of compensation that may be taken into account for purposes of these limits is \$265,000 for 2015 and 2016. The compensation limit is indexed to the cost of living after 2016. You may contribute, in addition to the amount contributed by your employer to your SEP-IRA, an amount not in excess of the limits referred to under "Limits on Annual Contributions" above. It is your and your employer's responsibility to see that contributions in excess of normal IRA limits are made under a valid SEP and are, therefore, proper contributions.

D. Excess Contributions

An excess contribution is the amount paid to your traditional IRA that is not deductible, not a rollover contribution, nor designated as a non-deductible contribution. You must pay a non-deductible 6% federal excise tax on the excess amount for the tax year in which it is made, and for each later year until the excess is eliminated either by: (1) withdrawal or (2) application to a succeeding year's contribution.

You will not have to pay the 6% excise tax for a year if you withdraw the excess (together with its earnings) by the date your tax return for the year is due (including extensions). You must include in your gross income, for the year in which they were received, the earnings attributable to the excess contribution. You may also have to pay the additional 10% tax on premature distributions on the amount of the earnings. However, the excess contribution itself will not be included in your taxable income and will not be subject to the 10% premature distribution tax.

By following this procedure, you can also withdraw amounts that are not excess contributions (because they do not exceed the maximum annual

contribution) but are not deductible (because they exceed the deductible limits).

Under certain circumstances, you may withdraw excess payments from your IRA after the due date for filing your tax return (including extensions) and not include it in your taxable gross income. You may do this: (1) if the total payment (other than rollover contributions) for the year is the maximum annual contribution or less and (2) you did not deduct the excess amount (or the deduction was disallowed by the IRS). The excess payment you remove is thus not subject to the 10% tax on premature distributions. But you will have to pay the 6% excise tax for each year that the excess remains in the account at the end of the year.

If you contribute more than the maximum annual contribution to your IRA for any year, and do not withdraw the excess by the due date (including extensions) for filing your income tax return, you must include in your taxable gross income any excess payment you withdraw, even if you did not originally deduct it. You may also have to pay the 10% tax on premature distributions on the amount you withdraw.

You may also eliminate an excess contribution from your IRA by not contributing the maximum allowable amount in later years. Subsequent years' contributions would be reduced by the excess amount contributed in the prior year (up to the maximum permissible deductible amount for that year). By using this method, you can avoid paying the 10% premature distribution tax on withdrawals. You may not, however, avoid the 6% excise tax on any excess contribution remaining in the IRA at the end of a tax year.

FOUR – Spousal IRA And Divorce

A. Spousal IRA

If you and your spouse each earn taxable compensation, you can each make contributions to separate IRAs. But even if your spouse does not have any earned compensation, you may be eligible to establish an additional but separate and independent IRA for your spouse. To qualify, you must be married at the end of the tax year, and you and your spouse must file a joint return. The maximum contribution to your IRA and to a Spousal IRA may not exceed the lesser of the sum of the maximum annual IRA contribution for you and your spouse or 100% of your compensation, as defined under Section 3B above. The contribution does not have to be equally divided between the two accounts; however, the maximum contribution made to either account is the maximum annual IRA contribution. An excess contribution to either account is not tax-deductible and will be subject to a penalty tax, as described in Section 3D above. You may not claim a deduction for Spousal IRA contributions in the year your spouse reaches the age of 70½. You can continue to make contributions of up to the maximum annual contribution to a spousal traditional IRA until the year your spouse reaches age 70½. If, however, you have not yet attained the age of 70½, you may continue to make contributions to your IRA. Distributions from a Spousal IRA do not have to begin until April 1 of the year following the year in which the spouse for whom the Spousal IRA is maintained reaches age 70½. With the exception of the contribution limitations, all rules which apply to the regular traditional IRA apply to each spouse with respect to his or her own Spousal IRA.

B. Divorce or Legal Separation

If all or any portion of your IRA is awarded to a former spouse pursuant to divorce or legal separation, such portion can be transferred to an IRA in the receiving spouse's name. The transaction can be processed without tax implications to you provided a written instrument executed by a court incident to the divorce or legal separation in accordance with Section 408(d)(6) of the Code is received by, and in a form and manner acceptable to, the Custodian and specifically directs such transfer.

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FIVE – Tax Deduction

You may deduct the full amount of your IRA contribution up to the annual maximum if you are not an “active participant” in an employer-sponsored retirement plan (including qualified plans, SEPs, SIMPLE IRAs, tax-sheltered annuity plans, and certain governmental plans) for any part of such year. If you are married and you and your spouse file a joint return (or file separately and live together at any time during the year), your spouse’s status as an active participant will not cause you to be treated as an active participant (although it may limit your deduction, as described below). For this purpose, a husband and wife who file separate tax returns for any year and who live apart at all times during the year are not considered to be married. If either you or your spouse is covered by an employer-sponsored retirement plan, you may be entitled to a full deduction, partial (reduced) deduction, or no deduction at all, depending on your modified adjusted gross income (MAGI) and your filing status. Your MAGI (and, if applicable, your spouse’s MAGI) is adjusted gross income (as indicated on your and/ or your spouse’s federal income tax return(s)), determined after recognition of passive loss and credit limitations and Social Security and Tier 1 Railroad Retirement Benefit income limitations, with the following amounts added back: any student loan interest deduction, any savings bond excluded interest, employer-paid adoption expenses, any foreign earned income exclusion, any foreign house exclusion or deduction, and any qualified tuition and related expense deduction.

In addition, even if you are an active participant in such a plan, you may deduct the full amount of your IRA contribution if you have MAGI equal to or below a specified level (\$98,000 for 2015 and 2016 for married taxpayers filing joint returns; \$61,000 for 2015 and 2016 for single taxpayers; and \$61,000 for 2015 and 2016 for married taxpayers who file separate returns and do not live together at any time during the year). If you are not an active participant but your spouse is, the specified level is \$183,000 for 2015 (\$184,000 for 2016). If your MAGI exceeds this specified level, the amount of your IRA contribution, which is deductible, is phased out on the basis of:

For 2015 and 2016, MAGI between \$61,000 and \$71,000 if you are a single taxpayer or a married taxpayer who files a separate return and has not lived with your spouse at any time during the year;

MAGI of up to \$10,000 if you are a married taxpayer who files a separate return and lives with your spouse at any time during the year;

For 2015 and 2016, MAGI between \$98,000 and \$118,000 if you are married and you and your spouse file a joint return, or;

For 2015, MAGI between \$183,000 and \$193,000 (\$184,000 and \$194,000 for 2016) if you are married, you and your spouse file a joint return, and you are not, but your spouse is an active participant.

All of the foregoing MAGI thresholds and phaseout levels are for 2015 or 2016, as applicable, and are indexed to the cost-of-living after 2016.

MAGI is determined prior to adjustments for personal exemptions and itemized deductions. For purposes of determining the traditional IRA deduction, MAGI is modified to take into account deductions for IRA contributions, taxable benefits under the Social Security Act and the Railroad Retirement Act, and passive loss limitations under Code Section 86.

In general, the IRA deduction is phased out at a rate of \$200 per \$1,000 of MAGI in excess of the phaseout amount (\$61,000 for 2015 and 2016 for single taxpayers and married taxpayers who file separate returns and did not live together during the year; \$98,000 for 2015 and 2016 for married taxpayers who file joint returns; \$0 for married taxpayers who file separate returns and lived together during the year; and \$183,000 for 2015 and \$184,000 for 2016 if you are married, file jointly, and are not an active participant but your spouse is).

When calculating your reduced IRA deduction limit, you always round up to the next \$10. Therefore, your deduction limit is always a multiple of \$10. In addition, if your MAGI is within the phaseout range and your reduced

deduction limit is more than \$0 but less than \$200, you are permitted to deduct up to \$200 of your IRA contribution.

If your MAGI exceeds the applicable level specified above and you are an active participant in an employer-sponsored retirement plan (or your spouse is an active participant in such a plan and you file a joint return), then you may not deduct any portion of your IRA contribution. For purposes of the deduction limitations, MAGI is your adjusted gross income without regard to adjustments for personal exemptions and itemized deductions.

Special rules apply for purposes of determining whether or not you are an active participant in an employer-sponsored retirement plan. Your Form

W-2 for the year should indicate your participation status. You should consult your own tax or financial adviser if you have any questions. You can estimate your deduction limit using the applicable formula:

In all cases other than where you are married and file a joint return:

$$\frac{\$10,000 - \text{Excess MAGI}^*}{\$10,000} \times \text{Maximum Allowable Deduction}^{**} = \text{Deduction Limit}$$

If you are married and file a joint tax return:

$$\frac{\$20,000 - \text{Excess MAGI}^*}{\$20,000} \times \text{Maximum Allowable Deduction}^{**} = \text{Deduction Limit}$$

*Excess MAGI means MAGI above the Specified Level.

**Maximum Allowable Deduction means, for 2015 and 2016, \$5,500 if you do not attain age 50 by December 31, or \$6,500 if you are age 50 or older by December 31.

Example 1: You are single, under age 50 on December 31, 2015, an active participant, and have MAGI in 2015 of \$63,000. You would calculate your deductible IRA contribution for 2015 as follows:

The Excess MAGI is \$63,000 – \$61,000 = \$2,000

Your IRA deduction limit for 2015 is:

$$\frac{\$10,000 - \$2,000}{\$10,000} \times \$5,500 = \$4,400$$

Example 2: You are married and file a joint tax return. For 2016, you and your spouse individually earn more than \$5,500, and you are both active participants and under age 50 on December 31, 2016. Your combined MAGI is \$102,120. Each of you may contribute to an IRA for 2016 and calculate deductible contributions to each IRA as follows:

The Excess MAGI is \$102,120 – \$98,000 = \$4,120

Your IRA deduction limit for 2016 is:

$$\frac{\$20,000 - \$4,120}{\$20,000} \times \$5,500 = \$4,367 \text{ (rounded to } \$4,370)$$

Example 3 : In 2015, you are married, age 50 or older by December 31, 2015, and file a joint return. Your spouse, also at least age 50 by December 31, 2015, is an active participant, but you are not. Your combined MAGI is \$101,000. You may each contribute to an IRA for 2015 and calculate deductible contributions to each IRA as follows:

Since your combined MAGI is less than \$183,000, you are not affected by your spouse’s active participant status.

Your IRA deduction limit for 2015 is \$6,500

Your spouse’s Excess MAGI is \$101,000 – \$98,000 = \$3,000

Your spouse’s IRA deduction limit for 2015 is:

$$\frac{\$20,000 - \$3,000}{\$20,000} \times \$6,500 = \$5,525 \text{ (rounded to } \$5,530)$$

Disclosure Statement and Custodial Agreements

Example 4: For 2016, you are married, file a separate tax return, live with your spouse during the year, an active participant and are under age 50 on December 31, 2016. You have \$1,400 of compensation and want to make a deductible contribution to your IRA.

Your Excess MAGI is $\$1,400 - \$0 = \$1,400$

Your IRA deduction limit for 2016 is:

$$\frac{\$10,000 - \$1,400}{\$10,000} \times \$5,500 = \$4,730$$

Though your IRA deduction limit as calculated above is \$4,730, you may not deduct an amount in excess of your MAGI of \$1,400.

Even if you will not be able to deduct the full amount of your IRA contribution under the rules described above, you can still contribute up to your annual maximum amount with all or part of the contribution being a non-deductible contribution.

Of course, the combined total of deductible and non-deductible contributions to any combination of traditional and Roth IRAs must not exceed your annual maximum amount. Any earnings on all your IRA contributions (deductible and non-deductible) accumulate tax-free until you withdraw them.

SIX – Tax Credit

You may be eligible for a federal income tax credit with respect to your IRA contributions. You will receive a credit equal to a percentage of your “eligible retirement plan contributions,” which include all contributions to a traditional or Roth IRA as well as elective deferral contributions and voluntary after-tax contributions under a 401(k) plan, a 403(b) plan, a 457 plan, a SIMPLE IRA, or a SEP-IRA, net of certain retirement account distributions. The maximum amount of eligible retirement plan contributions for which the credit may be taken is \$2,000. The availability of the tax credit and the percentage of eligible retirement plan contributions subject to the tax credit are subject to MAGI limits for 2015 (top table) and for 2016 (bottom table) as follows:

Modified Adjusted Gross Income 2015			
Joint Filers	Heads of Household	All Other Filers	Credit Rate
\$0 - \$36,500	\$0 - \$27,375	\$0 - \$18,250	50%
\$36,501 - \$39,500	\$27,376 - \$29,625	\$18,251 - \$19,750	20%
\$39,501 - \$61,000	\$29,626 - \$45,750	\$19,751 - \$30,500	10%
Over \$61,000	Over \$45,750	Over \$30,500	0%

All figures shown are for 2015. These figures are indexed to the cost-of-living after 2015.

Modified Adjusted Gross Income 2016			
Joint Filers	Heads of Household	All Other Filers	Credit Rate
\$0 - \$37,000	\$0 - \$27,750	\$0 - \$18,500	50%
\$37,001 - \$40,000	\$27,751 - \$30,000	\$18,501 - \$20,000	20%
\$40,001 - \$61,500	\$30,001 - \$46,125	\$20,001 - \$30,750	10%
Over \$61,500	Over \$46,125	Over \$30,750	0%

All figures shown in the table above are for 2016. These figures are indexed to the cost-of-living after 2016.

SEVEN – Rollovers

A rollover is a tax-free transfer of assets from one tax-qualified retirement program to another. There are two kinds of rollover payments to an IRA. In one, you roll over amounts from one IRA to another. With the other, you roll over amounts from a qualified 401(k), pension, or profit-sharing plan, 403(b) plan, or a state or local government plan under Section 457 of the Code to an IRA. You cannot deduct a traditional IRA rollover on your tax return. The Custodian may, in its discretion, accept rollover contributions in property other than cash. There are a number of special restrictions and certain tax effects involved with making a traditional IRA rollover. You should consult your tax adviser or local IRS district office for information concerning your specific situation before proceeding with a traditional IRA rollover.

In addition, please note that if you establish a rollover IRA during the year in which you reach age 70½, you must begin receiving distributions from such IRA no later than April 1 of the following year. Since strict limitations apply to rollovers, and a variety of tax and financial planning issues should be considered in determining whether to make a rollover contribution, it would be wise to check with your tax adviser or local IRS district office for information concerning your specific situation before proceeding with a rollover IRA.

However, please be aware that if you transfer the funds in your traditional IRA from one IRA trustee or custodian directly to another, either at your request or at the trustee's or custodian's request, this is not a rollover. It is a transfer that is not affected by the one-year waiting period described below.

A. Rollover from One IRA to Another

You may withdraw part or all of the assets from one traditional IRA and roll over those assets to another traditional IRA tax-free once a year (except that certain distributions, such as annuity payments, installments over a period of ten or more years, and certain payments to non-spouse beneficiaries, may not be rolled over). To take advantage of this tax-free treatment, you must transfer the entire amount you receive to your new IRA by the 60th day after the date you receive the distribution from your first IRA. Partial rollovers are taxed on the amount retained. Prior to January 1, 2015, you may do one rollover during any twelve-month period per IRA. Beginning January 1, 2015, you may do only one IRA rollover during any 12-month period regardless of how many IRAs you own.

B. Rollover from a Tax-Qualified Plan to an IRA

If you become entitled to receive all or any part of an “eligible rollover distribution” from a tax-qualified plan such as a 401(k) plan, a profit-sharing plan, a Keogh plan, a 403(b) tax-sheltered annuity, Thrift Savings Plan, or a

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government-sponsored 457 plan, you may direct the plan to make a direct rollover to your IRA and thus avoid the mandatory 20% federal withholding tax. To do a direct rollover, the assets should either be transferred directly to the IRA custodian, or the distribution check can be made payable to the IRA custodian. If you choose to receive a distribution directly from a tax-qualified plan, you may still roll over the distribution (plus the amount of the withholding tax) to your IRA as long as you do so within 60 days of the date you receive the distribution. An "eligible rollover distribution" is any distribution from a tax-qualified plan other than (a) a distribution that is one of a series of periodic payments for the employee's life or over a period of 10 years or more, (b) a required minimum distribution after you attain 70½, (c) certain corrective distributions, and (d) a hardship distribution.

Please remember that amounts subject to the post-70½ minimum distribution requirement are not eligible for rollover treatment. Non-taxable distributions from a tax-qualified plan under Section 401(a), including 401(k) of the Code, may be rolled over directly or indirectly to an IRA or directly to a similar tax-qualified plan. If you transfer or roll over a tax-exempt balance into a traditional IRA, it is your responsibility to keep track of the amount of these contributions and report that amount to the IRS on the appropriate form so that the nontaxable amount of any future distribution(s) can be determined.

Any eligible rollover distribution from an IRA (other than a non-taxable distribution) may be rolled over to an eligible tax-qualified plan, including a 403(b) plan or a government sponsored 457 plan – even if the distribution is not attributable to amounts originally rolled over from an employer's plan or such amounts have been commingled with other IRA assets. Consult your tax adviser on tax implications regarding IRA rollovers.

If you establish an "inherited IRA" by rollover from an employer's tax-qualified retirement plan as the beneficiary of a deceased plan participant, and you are not the participant's spouse, special rules apply in determining the distributions required to be made from the IRA as described in Section 8B below.

EIGHT – Distributions

A. Tax Treatment

Generally, any money or property you receive from your traditional IRA account is a distribution and must be included in your gross income as ordinary taxable income in the year received. The exceptions are rollovers, tax-free withdrawals of excess payments as described above, and distributions of non-deductible contributions.

Federal income tax will be withheld from distributions you receive from a traditional IRA unless you elect not to have tax withheld. However, if traditional IRA distributions are to be delivered outside of the United States, this withholding tax is mandatory and you may not elect otherwise unless you certify to the Custodian that you are not a U.S. citizen residing overseas or a "tax avoidance expatriate" as described in Code Section 877. Federal income tax will be withheld at the rate of 10%.

If you withdraw an amount from any traditional IRA during a taxable year and you have previously made both deductible and non-deductible traditional IRA contributions, then part of the amount withdrawn is excluded from ordinary income and not subject to taxation. The amount excluded for the taxable year is the portion of the amount withdrawn which bears the same ratio to the amount withdrawn for the taxable year as your aggregate non-deductible traditional IRA contributions remaining in all of your traditional IRAs bear to the aggregate balance of all your traditional IRAs at the end of the year plus the amount of the distribution during the year. For example, an individual withdraws \$1,000 from a traditional IRA to which both deductible and non-deductible contributions were made. At the end of the year, the account balance is \$4,000, of which \$2,500 was non-deductible contributions. The amount excluded from income is \$500 ($\$2,500/\$5,000 \times \$1,000$).

You may exclude from your gross income up to \$100,000 of distributions from your IRA that (i) would otherwise be taxable, (ii) are made directly to

a charitable organization, (iii) are made after you attain age 70½, and (iv) would otherwise be deductible as charitable contributions (determined without regard to the generally applicable percentage limitations on such deductions). The amount that you exclude for a year under this special rule does not count against the limit on your otherwise permissible charitable contribution deductions. This charitable contribution exclusion expired on December 31, 2014. It is possible that the exclusion will be extended beyond 2014, but as of the date this Disclosure Statement was prepared, it had not been extended.

B. Methods of Distribution

1. IRA Distributions

You can withdraw money from your traditional IRA account in either of the following ways:

- a lump-sum withdrawal of the entire balance.
- periodic payments (monthly, quarterly, annually) spread over a period of years.

The following conditions apply to traditional IRA distributions:

- You may begin receiving distributions without any penalty anytime after you reach 59½.
- You must begin receiving distributions from your traditional IRA by April 1 following the calendar year in which you reach 70½, the "Required Beginning Date." However, a special rule applies if you establish an "inherited IRA" by rollover from an employer's tax-qualified retirement plan as the beneficiary of a deceased plan participant, and you are not the participant's spouse. In this case, distributions from the IRA will be required in the minimum amounts required under the employer's plan, except that if the participant died before he or she was required to start receiving minimum distributions under the employer plan and if you complete the rollover to your inherited IRA by the end of the year following the year in which the participant died, you may receive required minimum distributions from your inherited IRA over your life expectancy.
- If you are disabled, you may receive distributions from your traditional IRA regardless of your age without paying any penalties. You must be certified as disabled by a physician. For more information on disability, contact the IRS and get a copy of IRS Publication 524, "Credit for the Elderly or the Disabled," or Publication 907, "Tax Highlights for Persons with Disabilities."
- If you request a distribution prior to your attainment of age 59½, you must furnish the Custodian with a written statement explaining the reason for the distribution. This requirement does not apply to a distribution which is part of a series of substantially equal periodic payments made over your life expectancy or the joint life and last survivor expectancy of you and your designated beneficiary.

2. Tax and Penalties on Premature Distribution

If you withdraw any of the funds in your traditional IRA before age 59½, and you do not roll over the amount withdrawn into another IRA or eligible plan, the amount included in your gross income is subject to a 10% non-deductible penalty tax unless the distribution is taken: (1) due to your death, (2) due to your disability, (3) to pay certain medical expenses which exceed 7.5% of your MAGI, (4) to pay medical insurance premiums during a period of your unemployment, (5) to pay certain qualified higher education expenses, (6) to pay certain qualified expenses related to a first-time home purchase, (7) in a series of substantially equal periodic payments over your life expectancy or the life expectancy of you and your designated beneficiary,* (8) as an exempt withdrawal of an excess contribution, (9) for payment to your former spouse or other payee under a qualified domestic relations order, such as divorce or legal separation,

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or (10) during a period of active military duty, if you were called to such duty from reserve duty after September 11, 2001 and the active duty is for an indefinite period or a period of 180 days or longer.

* You should be aware that the 10% penalty tax will be applied retroactively to all installment payments if you alter the method of distribution before you attain the age 59½ to a method that does not qualify for the exception. This 10% penalty tax will also apply retroactively if you do not receive the installment payments under a method that qualified for the exception for at least five years. The 10% penalty tax discussed above does not apply to the portion of your traditional IRA distribution which is not included in your gross income.

3. Penalties for Failure to Withdraw Required Minimum Distributions

Amounts you contribute to your traditional IRA are not to be kept indefinitely. The law requires that you begin to receive distributions from your IRA no later than your "Required Beginning Date." There is a minimum amount which you must withdraw by the Required Beginning Date, December 31 of the calendar year containing the Required Beginning Date, and by each December 31 of each calendar year thereafter. The required beginning date is April 1 of the year following the year in which you attain age 70-1/2. The minimum amount that is required to be distributed to you (or to your beneficiaries following your death as described in Section C below) is calculated pursuant to IRS rules, which are described generally below.

The minimum amount is determined by reference to a uniform lifetime distribution table. However, if your designated beneficiary is your spouse and your spouse is more than 10 years younger than you, the minimum amount is determined by reference to the recalculated joint and last survivor expectancy of you and your spouse each year. If the amount distributed during a taxable year is less than the minimum amount required to be distributed, you will be subject to a penalty tax equal to 50% of the deficiency, unless you can prove that the failure to make such minimum distribution was due to reasonable cause, and demonstrate that reasonable steps are being taken to remedy the shortfall. If you maintain more than one IRA, you must calculate the amount of your minimum distribution in any year by considering the aggregate balances in all your IRAs. Once the minimum amount is so determined, you may choose to withdraw it from any one or more of your IRAs. IRS Publication 590 contains a worksheet for figuring the minimum amount that should be distributed from your IRA, so that you will not be subject to a 50% excise tax on the required amount that was not distributed. For each year, the Custodian will notify you if you must take a required minimum distribution from your USAA IRA in that year and will, upon your request, calculate the amount of such required minimum distribution. However, it is your responsibility to make sure that you take your required minimum distribution so that you are not subject to excise taxes and penalties. Except to provide you the required notice and to calculate your required minimum distribution if you so request, the Custodian is not responsible for advising you in this matter and will only make distributions to you from your IRA in accordance with your specific instructions

NOTE: These rules do not apply if your IRA is an inherited IRA established by rollover from the tax-qualified retirement plan account of a deceased plan participant and you are not the participant's spouse. For inherited IRAs, distributions must be made in accordance with Section 8(B) above.

C. Distribution on Death

Your beneficiaries may include your estate, dependents, and anyone you choose to have the benefits of your traditional IRA after your death. You may designate your beneficiaries on the traditional IRA Application and Adoption Agreement when you open your traditional IRA, and change them at any time by notice in a form and manner acceptable to the Custodian, received by the Custodian prior to your death. You should always consult your legal and tax advisers regarding your beneficiary designation. Distribution to your beneficiary may be made at any time in the event of your death, either in a

lump sum or periodically as selected by you or if you have not selected, as selected by your beneficiary but subject to the following rules:

1. If distributions from your traditional IRA began before your death and after your Required Beginning Date, the funds remaining in your account must continue to be distributed
 - (i) over your non-spouse designated beneficiary's non-recalculated life expectancy in the year of your death or your remaining life expectancy at death, whichever is longer,
 - (ii) over your spouse designated beneficiary's recalculated life expectancy (alternatively, your spouse may elect to treat the account as his or her own), or
 - (iii) if you do not have a designated beneficiary, to your beneficiary over your remaining life expectancy at death. The Custodian will make distributions to your beneficiary in accordance with your, or your beneficiary's, specific instructions. Your beneficiary should be aware that he or she is subject to minimum distribution rules and it is his or her responsibility to make sure that the rules are met.
2. If distributions from your traditional IRA have not commenced prior to your Required Beginning Date, the entire account balance must be distributed
 - (i) in annual payments over your non-spouse designated beneficiary's non-recalculated life expectancy,
 - (ii) over your spouse designated beneficiary's recalculated life expectancy beginning as late as December 31 of the year following the year in which you would have attained age 70½ (alternatively, your spouse may elect to treat the account as his or her own), or
 - (iii) if you do not have a designated beneficiary, to your beneficiary by December 31 of the year containing the fifth anniversary of your death.

The designation of a beneficiary to receive funds from your IRA at your death is not considered a transfer subject to federal gift taxes. However, any funds remaining in your IRA at your death would be included in your federal gross estate. After your death, a beneficiary may designate one or more subsequent beneficiaries to receive the interest of such beneficiary remaining in your IRA.

NINE – IRS Reporting

A. IRA Contributions

Deductible IRA contributions are reported on your federal income tax return. Non-deductible contributions are reported on Form 8606, which is filed with your Form 1040 or Form 1040A. You may choose to file your federal income tax return before it is due (without extensions) and report your IRA contributions before they are made. You must, however, make the contributions by the due date (without extensions) of such return. There is a \$100 penalty each time you overstate the amount of your non-deductible contributions unless you can prove that the overstatement was due to reasonable cause.

B. IRA Distributions

Report IRA distributions, whether taxable or not, including taxable premature distributions on IRS Form 1040. You will also be required to give additional information on Form 8606 in years you make a withdrawal from your IRA. If you fail to file a required Form 8606, there is a \$50 penalty for each such failure unless you can prove that the failure was due to reasonable cause. For each year, the Custodian will report to the IRS on Form 5498 for the year whether or not you must take a required distribution in that year.

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C. Other Reporting Requirements

For any year when you have tax on excess payments, premature distributions, or prohibited transactions, you must file Form 5329, "Additional Taxes on Qualified Plans (including IRAs) and Other Tax-Favored Accounts." If your IRA is required to file IRS Form 990-T, "Exempt Organization Business Income Tax Return," for a year, it is your responsibility to prepare and provide to the Custodian a completed Form 990-T for the Custodian to file with the Internal Revenue Service in addition to authorization to pay tax due from the IRA account related to such Form. Upon receipt of the completed Form, the Custodian may file the Form notwithstanding that your IRA account does not contain a balance sufficient to pay the tax.

D. Rollovers

Report any rollover from a qualified plan to a traditional IRA on Form 1040. Enter the amount of the distribution and the taxable amount, if any.

E. Expatriation

Certain individuals who cease to be U.S. citizens (covered expatriates) are treated as having received a distribution of their entire account balance. Such a deemed distribution would be taxable as described above, except that the 10% penalty tax would not apply. If your Traditional IRA is part of a SEP-IRA, you may be able to avoid this deemed distribution treatment by notifying the custodian of your status as a covered expatriate and waiving your right to any reduction of your taxable income under a treaty between the United States and a foreign country. If you were to provide such notice and make such an election, any taxable distribution that is in fact made from your IRA would be subject to withholding at a rate of 30%.

TEN – Prohibited Transactions

Generally, a prohibited transaction is any improper use of your IRA account or annuity. Some examples are:

1. the sale, exchange, or leasing of any property between your IRA account and you;
2. the lending of money or other extension of credit between your IRA account and you;
3. the furnishing of goods, services, or facilities between your IRA account and you; or
4. the transfer of assets of your IRA account for your use or for your benefit.

If you or your beneficiary engages in a prohibited transaction at any time during the year, you generally must include the fair market value of all of the IRA's assets in your taxable gross income for that year. You will also be subject to the 10% penalty tax on premature distributions if you are under the age of 59½.

Additionally, if you pledge your IRA as security for a loan, or invest your IRA in "collectibles" such as art, antiques, gems, or coins (other than United States gold, silver and platinum coins, certain state coins or certain bullion), the amount you pledged or invested is considered to have been distributed to you and will be taxed as ordinary income during the year in which you make such pledge or investment. If you are under age 59½, you may also have to pay the 10% penalty tax on premature distributions.

ELEVEN – Other Information

A. Fund Prospectus

The annual earnings under USAA Mutual Fund and Self-Directed traditional IRAs consist of all dividends and distributions on the mutual fund shares held

in your account. The dividends and distributions received from a given fund accumulate tax-free and are reinvested in shares of that fund and credited to your account.

For important information about advisory fees, other expenses, and the method of calculating the price per share of USAA's mutual funds, ask for and read the fund prospectus and Statement of Additional Information. The growth in value of the investments included in your IRA is neither guaranteed nor projected.

B. Amendments

USAA Investment Management Company will make any amendments to the Custodial Agreement that may be required by the Internal Revenue Service and will provide a copy of these amendments to you.

C. Custodian's Fees

Fees that may be charged with respect to your IRA (and the amounts of those fees) are provided to you separately.

D. The Custodian

The Custodian of your traditional IRA is USAA Federal Savings Bank.

E. Internal Revenue Service

You may obtain further information regarding an IRA from any district office of the IRS. Also, you may consult IRS Publications 590-A (Contributions to Individual Retirement Arrangements (IRAs)) and 590-B (Distributions from Individual Retirement Arrangements (IRAs)).

TWELVE – USAA Federal Savings Bank IRAs

Your USAA Federal Savings Bank Traditional IRA is governed by USAA Federal Savings Bank's Depository Agreement and Disclosures.

A. Automatic Deposits

You can make automatic deposits of \$50 or more (not to exceed the annual maximum limit for IRA contributions) to a variable-rate IRA CD or an IRA Money Market Deposit Account. Deposits can be made from an existing account at financial institutions with electronic transfer capabilities. Your automatic deposits may be set up on a monthly basis, on any day of the month. To obtain the necessary application, simply check the appropriate box on the IRA Application and Adoption Agreement. Automatic deposits to an IRA are credited to the tax year of the same calendar year in which they are received.

B. FDIC Insurance

Your USAA Federal Savings Bank IRA is insured by the FDIC (Federal Deposit Insurance Corporation) up to the limits set by law.

C. Financial Disclosures

IRS regulations require us to provide a projection of growth in value of your USAA Federal Savings Bank Traditional IRA at specified intervals, assuming level annual contributions. The assumptions made in the following tables do not necessarily apply to you. The value of your account will depend upon the actual deposit(s) made and the actual interest rate applied to funds in the account.

The tables on the following pages assume that upon maturity, each certificate of deposit is rolled over into another certificate of deposit of similar terms and rate of interest. The 180-day penalty refers to the penalty which would be assessed on a withdrawal of funds before the certificate of deposit has matured, assuming a certificate of deposit maturity of more than one year and less than 7 years one year and less than 7 years.

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Value of a Single \$1,000 USAA Federal Savings Bank Traditional IRA Deposit At Withdrawal

Age You Start IRA	At Age 60		At Age 65		At Age 70	
	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty
18	\$116,704	\$2,334	\$148,141	\$2,963	\$186,525	\$3,730
19	111,136	2,223	141,342	2,827	178,223	3,564
20	105,785	2,116	134,809	2,696	170,246	3,405
21	100,644	2,013	128,531	2,571	162,582	3,252
22	95,704	1,914	122,500	2,450	155,217	3,104
23	90,958	1,819	116,704	2,334	148,141	2,963
24	86,397	1,728	111,136	2,223	141,342	2,827
25	82,015	1,640	105,785	2,116	134,809	2,696
26	77,804	1,556	100,644	2,013	128,531	2,571
27	73,758	1,475	95,704	1,914	122,500	2,450
28	69,871	1,397	90,958	1,819	116,704	2,334
29	66,136	1,323	86,397	1,728	111,136	2,223
30	62,547	1,251	82,015	1,640	105,785	2,116
31	59,098	1,182	77,804	1,556	100,644	2,013
32	55,785	1,116	73,758	1,475	95,704	1,914
33	52,601	1,052	69,871	1,397	90,958	1,819
34	49,542	991	66,136	1,323	86,397	1,728
35	46,602	932	62,547	1,251	82,015	1,640
36	43,778	876	59,098	1,182	77,804	1,556
37	41,064	821	55,785	1,116	73,758	1,475
38	38,457	769	52,601	1,052	69,871	1,397
39	35,951	719	49,542	991	66,136	1,323
40	33,544	671	46,602	932	62,547	1,251
41	31,231	625	43,778	876	59,098	1,182
42	29,008	580	41,064	821	55,785	1,116
43	26,873	537	38,457	769	52,601	1,052
44	24,821	496	35,951	719	49,542	991
45	22,849	457	32,544	671	46,602	932
46	20,955	419	31,231	625	43,778	876
47	19,134	383	29,008	580	41,064	821
48	17,385	348	26,873	537	38,457	769
49	15,705	314	24,821	496	35,951	719
50	14,090	282	22,849	457	33,544	671
51	12,538	251	20,955	419	31,231	625
52	11,047	221	19,134	383	29,008	580
53	9,615	192	17,385	348	26,873	537
54	8,239	165	15,705	314	24,821	496
55	6,916	138	14,090	282	22,849	457
56	5,645	113	12,538	251	20,955	419
57	4,424	88	11,047	221	19,134	383
58	3,251	65	9,615	192	17,385	348
59	2,124	42	8,239	165	15,705	314
60	1,041	21	6,916	138	14,090	282
61			5,645	113	12,538	251
62			4,424	88	11,047	221
63			3,251	65	9,615	192
64			2,124	42	8,239	165
65			1,041	21	6,916	138
66					5,645	113
67					4,424	88
68					3,251	65
69					2,124	42
70					1,041	21

The table shows how an annual deposit of \$1,000 will grow based on 4% interest compounded monthly. These projections assume that the deposit is made on the first day of each year until you reach ages 60, 65, and 70.

The table below shows the value of the USAA Federal Savings Bank Traditional IRA at the end of each of the first five years, regardless of your age the day the account is opened.

Consecutive Annual Contributions

Year	Value	180 Day Penalty
1	\$1,041	\$21
2	2,124	42
3	3,251	65
4	4,424	88
5	5,645	113

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Value of a Single \$1,000 USAA Federal Savings Bank Traditional IRA Deposit At Withdrawal

Age You Start IRA	At Age 60		At Age 65		At Age 70	
	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty
18	\$5,569	\$111	\$6,799	\$136	\$8,302	\$166
19	5,351	107	6,533	131	7,977	160
20	5,141	103	6,277	126	7,665	153
21	4,940	99	6,032	121	7,365	147
22	4,746	95	5,795	116	7,076	142
23	4,561	91	5,569	111	6,799	136
24	4,382	88	5,351	107	6,533	131
25	4,211	84	5,141	103	6,277	126
26	4,046	81	4,940	99	6,032	121
27	3,887	78	4,746	95	5,795	116
28	3,735	75	4,561	91	5,569	111
29	3,589	72	4,382	88	5,351	107
30	3,448	69	4,211	84	5,141	103
31	3,313	66	4,046	81	4,940	99
32	3,184	64	3,887	78	4,746	95
33	3,059	61	3,735	75	4,561	91
34	2,939	59	3,589	72	4,382	88
35	2,824	56	3,448	69	4,211	84
36	2,714	54	3,313	66	4,046	81
37	2,608	52	3,184	64	3,887	78
38	2,505	50	3,059	61	3,735	75
39	2,407	48	2,939	59	3,589	72
40	2,313	46	2,824	56	3,448	69
41	2,223	44	2,714	54	3,313	66
42	2,136	43	2,608	52	3,184	64
43	2,052	41	2,505	50	3,059	61
44	1,972	39	2,407	48	2,939	59
45	1,894	38	2,313	46	2,824	56
46	1,820	36	2,223	44	2,714	54
47	1,749	35	2,136	43	2,608	52
48	1,681	34	2,052	41	2,505	50
49	1,615	32	1,972	39	2,407	48
50	1,552	31	1,894	38	2,313	46
51	1,491	30	1,820	36	2,223	44
52	1,432	29	1,749	35	2,136	43
53	1,376	28	1,681	34	2,052	41
54	1,323	26	1,615	32	1,972	39
55	1,271	25	1,552	31	1,894	38
56	1,221	24	1,491	30	1,820	36
57	1,173	23	1,432	29	1,749	35
58	1,127	23	1,376	28	1,681	34
59	1,083	22	1,323	26	1,615	32
60	1,041	21	1,271	25	1,552	31
61			1,221	24	1,491	30
62			1,173	23	1,432	29
63			1,127	23	1,376	28
64			1,083	22	1,323	26
65			1,041	21	1,271	25
66					1,221	24
67					1,173	23
68					1,127	23
69					1,083	22
70					1,041	21

The table shows how a single deposit of \$1,000 will grow based on 4% interest compounded monthly. These projections assume that the deposit is made on the first day of the year.

The table below shows the value of the USAA Federal Savings Bank Traditional IRA at the end of each of the first five years, regardless of your age the day the account is opened.

Consecutive Annual Contributions

Year	Value	180 Day Penalty
1	\$1,041	\$21
2	1,083	22
3	1,127	23
4	1,173	23
5	1,221	24

Custodial Agreement and Disclosure Statement

USAA Roth IRA Disclosure Statement

This Disclosure Statement outlines the basic provisions of a Roth IRA as well as certain features unique to USAA Self-Directed Roth IRAs, USAA Mutual Fund Roth IRAs, and USAA Federal Savings Bank Roth IRAs.

This is merely a general summary for your information. For an interpretation of the applicable Roth IRA and tax laws, contact your tax adviser or district IRS office. IRS Publications 590-A (Contributions to Individual Retirement Arrangements (IRAs)) and 590-B (Distributions from Individual Retirement Arrangements (IRAs)) contain more information on Roth IRAs generally.

Special Note: This Disclosure Statement discusses the effect and requirements of the federal tax laws. You should consult your tax adviser with regard to the applicable tax laws of your state. This disclosure is not to be regarded as tax advice. Consult your personal tax adviser before making decisions.

One – Revocation

Transferring IRAs to USAA

A Roth IRA which is established on the date of receipt of this Disclosure Statement, or within seven days thereafter, may be revoked at any time within seven days after the date of establishment of the Roth IRA. A Roth IRA established at least seven days after the date of the receipt of this Disclosure Statement may not be revoked (although it may be terminated). Revocation must be made by telephone and confirmed in writing to:

For USAA Self-Directed Roth IRAs

USAA IRA Investment Management Company
9800 Fredericksburg Road
San Antonio, TX 78288
Call 1-800-531-USAA

For USAA Mutual Fund Roth IRAs

USAA Shareholder Account Services
9800 Fredericksburg Road
San Antonio, TX 78288
Call 1-800-531-USAA

For USAA Federal Savings Bank Roth IRAs

USAA Federal Savings Bank
10750 McDermott Fwy.
San Antonio, TX 78288-0544
Call 1-800-531-USAA

Mailed notice will be deemed given on the date that it is postmarked (or, if sent by certified or registered mail, on the date of certification or registration) if it is deposited in the mail in the United States in an envelope or other appropriate wrapper, first class postage pre-paid, properly addressed. In the event that you decide to revoke your Roth IRA and do so within such seven-day period, you are entitled to a return of the entire amount of your Roth IRA contributions, without adjustment for such items as administrative expenses or fluctuations in market value.

TWO – The Custodial Account

The USAA Roth IRA is a custodial account established for your exclusive benefit or that of your named beneficiaries, as described in Section 408A of the Internal Revenue Code (Code). All amounts contributed to your Roth IRA custodial account are non-forfeitable. The custodial account is established through the use of Internal Revenue Service (IRS) Form 5305-RA, which has been approved as to form by the IRS. IRS approval is a determination only as to the form of the account and does not represent a determination of the merits of such an account.

The account holder will be furnished a statement showing the amount

of contributions to the account, account earnings, distributions from the account, and total value of the account as of the end of each reporting period. An IRS Form 5498 reflecting fair market value through year-end will be furnished annually.

THREE – General Attributes of a Roth IRA

A. Eligibility

Generally, you may open and contribute to a Roth IRA if at any time during the year you receive compensation and your Modified Adjusted Gross Income (MAGI) is below certain levels. You may contribute to a Roth IRA even if you have reached age 70½.

B. Form of Contributions

Regular contributions must be made in cash and may be made at any time from the beginning of the tax year, either periodically or in a lump sum, until the deadline for filing your federal income tax return, generally April 15 of the following year. If you receive a tax return extension for a tax year, you must still make your Roth IRA contribution by the deadline for filing your federal income tax return for that year not including extensions in order to treat it as made for the prior year. You do not have to contribute to a Roth IRA every year.

Additionally, you may rollover funds from another Roth IRA, a traditional IRA, or, subject to certain limitations, an employer's tax-qualified retirement plan, as described in Article Six of this Disclosure Statement. The Custodian may, in its discretion, accept rollover contributions (including conversions of traditional IRAs) that are not in cash. If you intend to report contributions made between January 1 and the deadline for filing your federal income tax return for that year as contributions for your prior tax year, you should notify us in writing that such contributions have been made on account of such prior tax year. Otherwise, the Custodian will assume the contribution is for the current tax year.

No part of your Roth IRA account can be used to buy a life insurance policy. Your Roth IRA assets cannot be combined with other property, except in a common trust fund or common investment fund. Your Roth IRA may not be invested in collectibles, such as antiques, gems, or art. U.S. gold, silver, and platinum coins, certain state coins, and certain gold, silver, platinum, or palladium bullion are permitted investments.

C. Limits on Annual Contributions

The maximum amount that you may contribute to any combination of Roth IRAs for any taxable year may not exceed the lesser of the maximum annual contribution set forth below or 100% of your compensation or earned income, less any amounts you contribute to a traditional IRA. If you are married, your spouse, whether or not employed, may also be able to contribute up to the maximum annual contribution each year to any combination of Roth IRAs and traditional IRAs, provided that the total amount contributed to any combination of Roth IRAs and traditional IRAs by you and your spouse for any year may not exceed the lesser of the sum of the maximum annual contribution for you and your spouse or 100% of your combined compensation. The maximum annual contribution is \$5,500 for the 2015 and 2016 tax years. After 2016, the \$5,500 limit is adjusted to reflect increases in the cost-of-living. For individuals age 50 or older by December 31 of the tax year for which a contribution is made, the maximum annual contribution is increased by \$1,000. Wages, salaries, tips, professional fees, net earnings from self-employment, bonuses and other amounts received for providing personal service, military differential pay, and taxable alimony payments are compensation. Dividend, interest, rental, or capital gains income is not compensation. Combat zone military pay, which is generally not included in gross income, is treated as taxable compensation. However, if you are single, the maximum annual contribution will be reduced if your MAGI is equal to or exceeds \$116,000 (for 2015) or \$117,000 (for 2016) and will be eliminated if your MAGI is equal to or exceeds \$131,000 (for 2015) or

Disclosure Statement and Custodial Agreements

\$132,000 (for 2016). If you are married and file a joint tax return, the maximum annual contribution will be reduced if the combined MAGI of you and your spouse is equal to or exceeds \$183,000 (for 2015) or \$184,000 (for 2016) and will be eliminated if your combined MAGI is equal to or exceeds \$193,000 (for 2015) or \$194,000 (for 2016). All of the foregoing figures are indexed to the cost-of-living after 2016. If you are married and file separately and live with your spouse at any time during the year, the maximum annual contribution will be reduced and will be eliminated if your MAGI is equal to or exceeds \$10,000. See Article Four of this Disclosure Statement for details about these limitations on contributions.

If you received a distribution from your Roth IRA during a period of active military duty, you were called to such duty from reserve duty after September 11, 2001, and if the active duty was for an indefinite period or a period of 180 days or longer, you may repay the distribution during the two-year period beginning on the date after the end of your active military duty. Such repayments are in addition to the contributions that you may otherwise be eligible to make for the year of repayment and do not count against the otherwise applicable contribution limits for that year.

If you are a plaintiff in a specified Exxon Valdez civil action (or the beneficiary of a plaintiff) you may contribute qualified settlement income from that civil action to your IRA. The total amount contributed may not exceed \$100,000 (lifetime). The contribution must be made by the due date for filing your federal income tax return, not including extensions.

If you received a military death gratuity or Servicemembers' Group Life Insurance (SGLI) payment with respect to a death or injury that occurred after October 6, 2001, you can contribute all or part of the amount received to your Roth IRA. The contribution is treated as a qualified rollover contribution.

The amount you can contribute to your Roth IRA cannot exceed the amount that you received reduced by any part of that amount that was contributed to a Coverdell Education Savings Account or another Roth IRA. Any military death gratuity or SGLI payment contributed to a Roth IRA is disregarded for purposes of the one-year waiting period between rollovers.

The rollover must be completed before the end of the one-year period beginning on the date you receive the payment.

D. Excess Contributions

An excess contribution is the amount paid to your Roth IRA (other than a rollover contribution or conversion) that exceeds your contribution limit for the year. You must pay a non-deductible 6% federal excise tax on the excess amount for the tax year in which it is made and for each later year until the excess is eliminated either by: (1) withdrawal; or (2) application to a succeeding year's contribution.

You will not have to pay the 6% excise tax for a year if you withdraw the excess (together with its earnings) by the date your tax return is due for the year (including extensions). You must include in your gross income, for the year in which they were received, the earnings attributable to the excess contribution. You may also have to pay the additional 10% tax on premature distributions on the amount of the earnings. However, the excess contribution itself will not be included in your taxable income and will not be subject to the 10% premature distribution tax.

If you contribute more than the maximum annual contribution to your Roth IRA for any year and do not withdraw the excess by the due date (including extensions) for filing your income tax return, you must include in your taxable gross income any excess payment you withdraw thereafter. You may also have to pay the 10% tax on premature distributions on the amount you withdraw.

You may also eliminate an excess contribution from your Roth IRA by not contributing the maximum allowable amount in later years. Subsequent years' contributions would be reduced by the excess amount contributed in the prior year (up to the maximum permissible contribution for that year). By using this method, you can avoid paying the 10% premature distribution tax

on withdrawals. You may not, however, avoid paying the 6% excise tax on any excess contribution remaining in the Roth IRA at the end of the tax year.

E. Non-deductibility

All contributions to your Roth IRA are made on an after-tax basis; none of your contributions are tax-deductible.

FOUR – Income Limits on Maximum Contribution

You may make the maximum annual contribution to any combination of Roth IRAs and traditional IRAs if you have MAGI below a specified level, \$183,000 (for 2015) or \$184,000 (for 2016) for married taxpayers filing joint returns, \$116,000 (for 2015) or \$117,000 (for 2016) for single taxpayers, and \$116,000 (for 2015) or \$117,000 (for 2016) for married taxpayers who file separate returns (and do not live together at any time during the year). If your MAGI is equal to or exceeds this specified level, the amount of your Roth IRA contribution is phased out on the basis of:

MAGI between \$116,000 and \$131,000 (for 2015) or \$117,000 and \$132,000 (for 2016) if you are a single taxpayer or a married taxpayer who files a separate return and does not live with your spouse at any time during the year;

MAGI of up to \$10,000 if you are a married taxpayer who files a separate return and lives with your spouse at any time during the year;

MAGI between \$183,000 and \$193,000 (for 2015) or \$184,000 and \$194,000 (for 2016) if you are married and you and your spouse file a joint return.

MAGI is determined prior to adjustments for personal exemptions and itemized deductions. For purposes of determining Roth IRA contributions, MAGI is modified to take into account deductions for IRA contributions, taxable benefits under the Social Security Act and the Railroad Retirement Act, and passive loss limitations under Code Section 86.

In general, the Roth IRA contribution is phased out at a rate of \$200 per \$1,000 of MAGI in excess of the phaseout amount, \$116,000 (for 2015) or \$117,000 (for 2016) for single taxpayers and married taxpayers who file separate returns and did not live together during the year, \$183,000 (for 2015) or \$184,000 (for 2016) for married taxpayers who file joint returns, and \$0 for married taxpayers who file separate returns and lived together during the year.

When calculating your reduced Roth IRA contribution limit, you always round up to the nearest \$10. Therefore, your contribution limit is always a multiple of \$10. In addition, if your MAGI is within the phaseout range and your reduced deduction limit is more than \$0 but less than \$200, you are permitted to contribute up to \$200 to your Roth IRA (provided your compensation exceeds \$200). You can estimate your contribution limit using the applicable formula: If you file separately, are single (or are married, file separately, and don't live with your spouse during the year):

$$\frac{\$15,000 - \text{Excess MAGI}^*}{\$15,000} \times \text{Maximum Contribution} = \text{Contribution Limit}$$

*Excess MAGI means MAGI above the specified level.

If you file jointly (or are married, file separately, and live with your spouse during the year):

$$\frac{\$10,000 - \text{Excess MAGI}}{\$10,000} \times \text{Maximum Contribution} = \text{Contribution Limit}$$

Example 1: You are single, under age 50, and have MAGI of \$123,000 for 2015. You would calculate your Roth IRA contribution limit for 2015 as follows:

$$\text{The Excess MAGI is } \$123,000 - \$116,000 = \$7,000$$

Your Roth IRA contribution limit is:

$$\frac{\$15,000 - \$7,000}{\$10,000} \times \$5,500 = \$2,933 \text{ (rounded to } \$2,940)$$

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Example 2: If you are married and file a joint tax return, and you and your spouse each individually earn more than \$6,500, will attain age 50 by December 31, 2015, and, for 2015, have combined MAGI of \$188,120, each of you may contribute to a Roth IRA and calculate your contribution limits to each Roth IRA for 2015 as follows:

The Excess MAGI is $\$188,120 - \$183,000 = \$5,120$

Your Roth IRA contribution limit is:

$$\frac{\$10,000 - \$5,120}{\$10,000} \times \$6,500 = \$3,172 \text{ (rounded to } \$3,180)$$

Example 3: If, in Example 2, your spouse did not earn any compensation, your spouse could establish and contribute \$3,180 to a Roth IRA as long as your compensation for the year was at least the amount contributed to both Roth IRAs.

Example 4: You are married, file a separate tax return, live with your spouse during the 2015 tax year and under age 50 by December 31, 2015. You have \$1,400 of compensation for 2015 and want to make a contribution to your Roth IRA.

Your Excess MAGI is $\$1,400 - \$0 = \$1,400$

Your Roth IRA contribution limit is:

$$\frac{\$10,000 - \$1,400}{\$10,000} \times \$5,500 = \$4,730$$

Although your Roth IRA contribution limit as calculated above is \$4,730, you may not contribute an amount in excess of your compensation of \$1,400.

FIVE – Tax Credit

You may be eligible for a federal income tax credit with respect to your Roth IRA contributions. You will receive a credit equal to a percentage of your “eligible retirement plan contributions,” which include all contributions to a traditional or Roth IRA as well as elective deferral contributions and voluntary after-tax contributions under a 401(k) plan, a 403(b) plan, a 457 plan, a SIMPLE IRA, or a SEP-IRA, net a certain retirement account distribution. The maximum amount of eligible retirement plan contributions for which the credit may be taken is \$2,000. The availability of the tax credit and the percentage of eligible retirement plan contributions subject to the tax credit are subject to MAGI limits for 2015 and 2016 as follows:

Modified Adjusted Gross Income			
2015			
Joint Filers	Heads of Household	All Other Filers	Credit Rate
\$0 - \$36,500	\$0 - \$27,375	\$0 - \$18,250	50%
\$36,501 - \$39,500	\$27,376 - \$29,625	\$18,251 - \$19,750	20%
\$39,501 - \$61,000	\$29,626 - \$45,750	\$19,751 - \$30,500	10%
Over \$61,000	Over \$45,750	Over \$30,500	0%

All figures shown in the table above are for 2015. These figures are indexed to the cost-of-living after 2015.

Modified Adjusted Gross Income			
2016			
Joint Filers	Heads of Household	All Other Filers	Credit Rate
\$0 - \$37,000	\$0 - \$27,750	\$0 - \$18,500	50%
\$37,001 - \$40,000	\$27,751 - \$30,000	\$18,501 - \$20,000	20%
\$40,001 - \$61,500	\$30,001 - \$46,125	\$20,001 - \$30,750	10%
Over \$61,500	Over \$46,125	Over \$30,750	0%

All figures shown in the table above are for 2016. These figures are indexed to the cost-of-living after 2016.

SIX – Rollovers, Conversions, and Recharacterizations

A rollover permits you to contribute assets you receive from one Roth IRA to another Roth IRA or from a traditional IRA to a Roth IRA. In addition, you may convert a traditional IRA into a Roth IRA. The Custodian may, in its discretion, accept rollover contributions in property other than cash. Since strict limitations apply to rollovers, and a variety of tax and financial planning issues should be considered in determining whether to make a rollover contribution or IRA conversion, you should consult your tax adviser or local IRS district office for information concerning your specific situation before proceeding with a rollover or conversion.

However, please be aware that if you transfer the funds in a Roth IRA from one Roth IRA trustee or custodian directly to another, this is not a rollover. It is a transfer that is not affected by the one-year waiting period described in Section A below.

A. Rollover from One Roth IRA to Another

You may withdraw part or all of the assets from one Roth IRA and reinvest them in another Roth IRA tax-free once a year (except that certain distributions, such as annuity payments, installments over a period of ten or more years, and certain payments to non-spouse beneficiaries, may not be rolled over). To take advantage of this tax-free treatment, you must transfer the entire amount you receive to your new Roth IRA by the 60th day after the date you receive the distribution from your first Roth IRA. Partial rollovers are taxed on the amount of the distribution attributable to earnings on your contributions, if any, that are retained. Prior to January 1, 2015, you may do one rollover during any twelve-month period per Roth IRA. Beginning January 1, 2015, you may do only one Roth IRA rollover during any twelve-month period regardless of how many Roth IRAs you own.

B. Rollover from a Traditional IRA to a Roth IRA

You may roll over a distribution from a traditional IRA to a Roth IRA within 60 days following the distribution or convert a traditional IRA into a Roth IRA. If you are married, you are eligible for this type of rollover or conversion only if you file a joint return. You are subject to income tax on the amount that would have been included in your gross income had it been distributed from the IRA and not rolled over or converted. Generally, this amount is included in your gross income in the year of the rollover or conversion. A rollover or conversion from a traditional IRA to a Roth IRA is not subject to the one-rollover-per-year limit.

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C. Rollover from Employer-Sponsored Retirement Plan to a Roth IRA

You may rollover an eligible rollover distribution from a tax-qualified 401(a), 403(b) or government sponsored 457(b) retirement plan sponsored by your or your spouse's employer.

D. Recharacterization

You may recharacterize a contribution to a traditional IRA as a contribution to a Roth IRA at any time prior to the due date for filing your federal income tax return for the year of contribution. If you convert a traditional IRA to a Roth IRA and then recharacterize the Roth IRA as a traditional IRA, you may not re-convert the traditional IRA to a Roth IRA before the beginning of the taxable year following the taxable year in which the amount was originally converted or, if later, the end of the 30-day period beginning on the day on which you recharacterize the Roth IRA back to a traditional IRA.

SEVEN – Distributions

A. Tax Treatment

Any money or property you receive from your Roth IRA that is attributable to your contributions is not subject to federal income tax in the year received (except that special rules apply to amounts attributable to IRA conversions within the preceding five years). Distributions from your Roth IRA that are attributable to earnings on your contributions are generally not subject to federal income tax provided that

1. the distribution is received after the five-taxable-year period beginning with the first taxable year for which you or your spouse made a contribution to a Roth IRA, and
2. the distribution is
 - (a) made on or after the date on which you reach age 59½,
 - (b) made to your designated beneficiary or to your estate on or after your death,
 - (c) attributable to your disability, or
 - (d) used to pay certain qualified acquisition costs with respect to your first home (or the first home of certain of your family members).

For this purpose, distributions from your Roth IRA are deemed to be distributions of contributions rather than distributions of earnings until all contributions under the Roth IRA have been distributed. Any amounts distributed that are taxable must be included in your gross income as ordinary taxable income in the year received.

Generally, federal income tax will not be withheld from distributions you receive from a Roth IRA except to the extent the Custodian has reason to believe the distribution is taxable or you elect to have tax withheld. If withholding applies, federal tax will be withheld at the rate of 10%, unless you elect not to have taxes withheld. However, if Roth IRA distributions are to be delivered outside of the United States, this withholding tax is mandatory as the taxable portion and you may not elect otherwise unless you certify to the Custodian that you are not a U.S. citizen residing overseas or a "tax avoidance expatriate" as described in Code Section 877.

You may exclude from your gross income up to \$100,000 of distributions from your Roth IRA that (i) would otherwise be taxable, (ii) are made directly to a charitable organization, (iii) are made after you attain age 70½, and (iv) would otherwise be deductible as charitable contributions (determined without regard to the generally applicable percentage limitations on such deductions). The amount that you exclude for a year under this special rule does not count against the limit on your otherwise permissible charitable contribution deductions. This charitable contribution exclusion expired on

December 31, 2014. It is possible that the exclusion will be extended beyond 2014, but as of the date of this Disclosure Statement was prepared, it had not been extended.

B. Methods of Distribution

You may withdraw money from your Roth IRA account in either of the following ways:

1. A lump sum withdrawal.
2. Periodic payments (monthly, quarterly, or annually) spread over a period of years.

C. Tax and Penalties on Premature Distributions

If you withdraw any of the funds in your Roth IRA before age 59½, the amount included in your gross income is subject to a 10% non-deductible penalty tax unless the distribution is taken:

1. due to your death,
2. due to your disability,
3. to pay qualified deductible medical expenses which exceed 7.5% of your adjusted gross income,
4. to pay medical insurance premiums during a period of your unemployment,
5. to pay certain qualified higher education expenses,
6. to pay certain expenses related to a first-time home purchase,
7. in a series of substantially equal periodic payments over your life expectancy or the life expectancy of you and your designated beneficiary,*
8. as an exempt withdrawal of an excess contribution,
9. rolled over into another Roth IRA, or
10. during a period of active military duty, if you were called to such duty from reserve duty after September 11, 2001 and the active duty is for an indefinite period or a period of 180 days or longer.

D. Distribution On Death

Your beneficiaries may include your estate, dependents, and anyone you choose to have the benefits of your Roth IRA after your death. You may designate your beneficiaries on the Roth IRA Application and Adoption Agreement when you open your Roth IRA and change them at any time by notice in a form and manner acceptable to the Custodian, received by the Custodian prior to your death. You should always consult your legal and tax advisers regarding your beneficiary designation. Distribution to your beneficiary may be made at any time in the event of your death either in a lump sum or periodically as selected by you or, if you have not selected, as selected by your beneficiary but subject to the following rules:

Generally, under IRS regulations, the entire account balance must be distributed

- (i) in annual payments over your non-spouse designated beneficiary's non-recalculated life expectancy,
- (ii) over your spouse designated beneficiary's recalculated life expectancy beginning as late as December 31 of the year following the year in which you would have attained age 70½ (alternatively, your spouse may elect to treat the account as his or her own), or
- (iii) if you do not have a designated beneficiary, to your beneficiary by December 31 of the year containing the fifth anniversary of your death.

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*You should be aware that the 10% penalty tax will be applied retroactively to all installment payments if you alter the method of distribution before you attain age 59½ to a method that does not qualify for the exception. This 10% penalty tax will also apply retroactively if you do not receive the installment payments under a method that qualified for the exception for at least five years. The 10% penalty tax discussed above does not apply to the portion of your Roth IRA distribution which is not included in your gross income.

The designation of a beneficiary to receive funds from your Roth IRA at your death is not considered a transfer subject to federal gift taxes. However, any funds remaining in your Roth IRA at your death would be included in your federal gross estate. After your death, a beneficiary may designate one or more subsequent beneficiaries to receive the interest of such beneficiary remaining in your IRA.

E. Expatriation

Certain individuals who cease to be U.S. citizens (covered expatriates) are treated as having received a distribution of their entire account balance. Such a deemed distribution would be taxable as described above, except that the 10% or 25% penalty tax would not apply. You may be able to avoid this deemed distribution treatment by notifying the custodian of your status as a covered expatriate and waiving your right to any reduction of your taxable income under a treaty between the United States and a foreign country. If you were to provide such notice and make such an election, any taxable distribution that is in fact made from your IRA would be subject to withholding at a rate of 30%.

EIGHT – IRS Reporting

A. Roth IRA Contributions

Roth IRA contributions are not reported on your federal income tax return. However, some reporting is required on Form 8606, which is filed with your Form 1040 or Form 1040A, if you have converted funds from a traditional IRA to a Roth IRA or if you have recharacterized any IRA conversion or contribution during the tax year.

B. Roth IRA Distributions

Report Roth IRA distributions, whether taxable or not, including taxable premature distributions, on IRS Form 1040. You will also be required to give additional information on Form 8606 in years you make a withdrawal from your Roth IRA. If you fail to file a required Form 8606, there is a \$50 penalty for each such failure unless you can prove that the failure was due to a reasonable cause.

C. Other Reporting Requirements

For any year when you have tax on excess payments, premature distributions, or prohibited transactions, you must file Form 5329, "Additional Taxes on Qualified Plans (including IRAs) and Other Tax-Favored Accounts." If your Roth IRA is required to file IRS Form 990-T, "Exempt Organization Business Income Tax Return," for a year, it is your responsibility to prepare and provide to the Custodian a completed Form 990-T for the Custodian to file with the Internal Revenue Service in addition to authorization to pay tax due from the IRA account related to such Form. Upon receipt of the completed Form, the Custodian may file the Form notwithstanding that your IRA account does not contain a balance sufficient to pay the tax.

D. Rollovers

You must report any rollover from a traditional IRA or another Roth IRA to a Roth IRA on Form 1040. Enter the amount of the distribution and the taxable amount. You should check with your tax adviser with regard to the applicable tax laws of your state.

NINE – Prohibited Transactions

Generally, a prohibited transaction is any improper use of your Roth IRA account. Some examples are:

- (1) the sale, exchange, or leasing of any property between your Roth IRA and you;
- (2) the lending of money or other extension of credit between your Roth IRA and you;
- (3) the furnishing of goods, services, or facilities between your Roth IRA and you; or
- (4) the transfer of assets of your Roth IRA for your use or for your benefit.

If you or your beneficiary engages in a prohibited transaction at any time during the year, you generally must include the fair market value of the amount attributable to taxable earnings on the Roth IRA's assets in your taxable gross income for that year. You will also be subject to the 10% tax on premature distributions if you are under the age of 59½.

Additionally, if you pledge your Roth IRA as security for a loan, or invest your Roth IRA in "collectibles" such as art, antiques, gems, or coins (other than United States gold, silver and platinum coins, or certain bullion), the amount so pledged or invested is considered to have been distributed to you and the portion attributable to taxable earnings will be taxed as ordinary income during the year in which you make such pledge or investment. You may also have to pay the 10% penalty tax on premature distributions.

TEN – Other Information

A. Fund Prospectus

The annual earnings under USAA Mutual Fund and USAA Self-Directed Roth IRAs include all dividends and distributions on any mutual fund shares held in your account. The dividends and distributions received from a given fund accumulate tax-free and are reinvested in shares of that fund and credited to your account.

For complete information about advisory fees, other expenses, the method of calculating the price per share, etc., of USAA's mutual funds, ask for and read each fund's prospectus and Statement of Additional Information. The growth in value of investments included in your Roth IRA is neither guaranteed nor projected.

B. Amendments

USAA Investment Management Company will make any amendments to the Custodial Agreement that may be required by the IRS and will provide a copy of these amendments to you.

C. Custodian's Fees

Fees that may be charged with respect to your IRA (and the amounts of those fees) are provided to you separately.

D. The Custodian

The Custodian of your Roth IRA is USAA Federal Savings Bank.

E. Internal Revenue Service

You may obtain further information regarding a Roth IRA from any district office of the IRS. Also, you may consult IRS Publication 590.

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ELEVEN – USAA Federal Savings Bank IRAs

Your USAA Federal Savings Bank Roth IRA is governed by USAA Federal Savings Bank's Depository Agreement and Disclosures.

A. Automatic Deposits

You can make automatic deposits of \$50 or more (not to exceed the annual maximum limit for IRA contributions) to a variable-rate IRA CD or an IRA Money Market Deposit Account. Deposits can be made from an existing account at financial institutions with electronic transfer capabilities. Your automatic deposits may be set up on a monthly basis, on any day of the month. To obtain the necessary application, simply check the appropriate box on the IRA Application and Adoption Agreement. Automatic deposits to an IRA are credited to the tax year of the same calendar year in which they are received.

B. FDIC Insurance

Your USAA Federal Savings Bank IRA is insured by the FDIC (Federal Deposit Insurance Corporation) up to the limits set by law.

C. Financial Disclosures

IRS regulations require us to provide a projection of growth in value of your USAA Federal Savings Bank Roth IRA at specified intervals, assuming level annual contributions. The assumptions made in the following tables do not necessarily apply to you. The value of your account will depend upon the actual deposit(s) made and the actual interest rate applied to funds in the account.

The tables on the following pages assume that upon maturity, each certificate of deposit is rolled over into another certificate of deposit of similar terms and rate of interest. The 180-day penalty refers to the penalty which would be assessed on a withdrawal of funds before the certificate of deposit has matured, assuming a certificate of deposit maturity of more than one year and less than 7 years one year and less than 7 years.

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Value of a Single \$1,000 USAA Federal Savings Bank Roth IRA Deposit At Withdrawal

Age You Start IRA	At Age 60		At Age 65		At Age 70	
	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty
18	\$116,704	\$2,334	\$148,141	\$2,963	\$186,525	\$3,730
19	111,136	2,223	141,342	2,827	178,223	3,564
20	105,785	2,116	134,809	2,696	170,246	3,405
21	100,644	2,013	128,531	2,571	162,582	3,252
22	95,704	1,914	122,500	2,450	155,217	3,104
23	90,958	1,819	116,704	2,334	148,141	2,963
24	86,397	1,728	111,136	2,223	141,342	2,827
25	82,015	1,640	105,785	2,116	134,809	2,696
26	77,804	1,556	100,644	2,013	128,531	2,571
27	73,758	1,475	95,704	1,914	122,500	2,450
28	69,871	1,397	90,958	1,819	116,704	2,334
29	66,136	1,323	86,397	1,728	111,136	2,223
30	62,547	1,251	82,015	1,640	105,785	2,116
31	59,098	1,182	77,804	1,556	100,644	2,013
32	55,785	1,116	73,758	1,475	95,704	1,914
33	52,601	1,052	69,871	1,397	90,958	1,819
34	49,542	991	66,136	1,323	86,397	1,728
35	46,602	932	62,547	1,251	82,015	1,640
36	43,778	876	59,098	1,182	77,804	1,556
37	41,064	821	55,785	1,116	73,758	1,475
38	38,457	769	52,601	1,052	69,871	1,397
39	35,951	719	49,542	991	66,136	1,323
40	33,544	671	46,602	932	62,547	1,251
41	31,231	625	43,778	876	59,098	1,182
42	29,008	580	41,064	821	55,785	1,116
43	26,873	537	38,457	769	52,601	1,052
44	24,821	496	35,951	719	49,542	991
45	22,849	457	32,544	671	46,602	932
46	20,955	419	31,231	625	43,778	876
47	19,134	383	29,008	580	41,064	821
48	17,385	348	26,873	537	38,457	769
49	15,705	314	24,821	496	35,951	719
50	14,090	282	22,849	457	33,544	671
51	12,538	251	20,955	419	31,231	625
52	11,047	221	19,134	383	29,008	580
53	9,615	192	17,385	348	26,873	537
54	8,239	165	15,705	314	24,821	496
55	6,916	138	14,090	282	22,849	457
56	5,645	113	12,538	251	20,955	419
57	4,424	88	11,047	221	19,134	383
58	3,251	65	9,615	192	17,385	348
59	2,124	42	8,239	165	15,705	314
60	1,041	21	6,916	138	14,090	282
61			5,645	113	12,538	251
62			4,424	88	11,047	221
63			3,251	65	9,615	192
64			2,124	42	8,239	165
65			1,041	21	6,916	138
66					5,645	113
67					4,424	88
68					3,251	65
69					2,124	42
70					1,041	21

The table shows how an annual deposit of \$1,000 will grow based on 4% interest compounded monthly. These projections assume that the deposit is made on the first day of each year until you reach ages 60, 65, and 70.

The table below shows the value of the USAA Federal Savings Bank Roth IRA at the end of each of the first five years, regardless of your age the day the account is opened.

Consecutive Annual Contributions

Year	Value	180 Day Penalty
1	\$1,041	\$21
2	2,124	42
3	3,251	65
4	4,424	88
5	5,645	113

Disclosure Statement and Custodial Agreements

Value of a Single \$1,000 USAA Federal Savings Bank Roth IRA Deposit At Withdrawal

Age You Start IRA	At Age 60		At Age 65		At Age 70	
	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty
18	\$5,569	\$111	\$6,799	\$136	\$8,302	\$166
19	5,351	107	6,533	131	7,977	160
20	5,141	103	6,277	126	7,665	153
21	4,940	99	6,032	121	7,365	147
22	4,746	95	5,795	116	7,076	142
23	4,561	91	5,569	111	6,799	136
24	4,382	88	5,351	107	6,533	131
25	4,211	84	5,141	103	6,277	126
26	4,046	81	4,940	99	6,032	121
27	3,887	78	4,746	95	5,795	116
28	3,735	75	4,561	91	5,569	111
29	3,589	72	4,382	88	5,351	107
30	3,448	69	4,211	84	5,141	103
31	3,313	66	4,046	81	4,940	99
32	3,184	64	3,887	78	4,746	95
33	3,059	61	3,735	75	4,561	91
34	2,939	59	3,589	72	4,382	88
35	2,824	56	3,448	69	4,211	84
36	2,714	54	3,313	66	4,046	81
37	2,608	52	3,184	64	3,887	78
38	2,505	50	3,059	61	3,735	75
39	2,407	48	2,939	59	3,589	72
40	2,313	46	2,824	56	3,448	69
41	2,223	44	2,714	54	3,313	66
42	2,136	43	2,608	52	3,184	64
43	2,052	41	2,505	50	3,059	61
44	1,972	39	2,407	48	2,939	59
45	1,894	38	2,313	46	2,824	56
46	1,820	36	2,223	44	2,714	54
47	1,749	35	2,136	43	2,608	52
48	1,681	34	2,052	41	2,505	50
49	1,615	32	1,972	39	2,407	48
50	1,552	31	1,894	38	2,313	46
51	1,491	30	1,820	36	2,223	44
52	1,432	29	1,749	35	2,136	43
53	1,376	28	1,681	34	2,052	41
54	1,323	26	1,615	32	1,972	39
55	1,271	25	1,552	31	1,894	38
56	1,221	24	1,491	30	1,820	36
57	1,173	23	1,432	29	1,749	35
58	1,127	23	1,376	28	1,681	34
59	1,083	22	1,323	26	1,615	32
60	1,041	21	1,271	25	1,552	31
61			1,221	24	1,491	30
62			1,173	23	1,432	29
63			1,127	23	1,376	28
64			1,083	22	1,323	26
65			1,041	21	1,271	25
66					1,221	24
67					1,173	23
68					1,127	23
69					1,083	22
70					1,041	21

The table shows how a single deposit of \$1,000 will grow based on 4% interest compounded monthly. These projections assume that the deposit is made on the first day of the year.

The table below shows the value of the USAA Federal Savings Bank Roth IRA at the end of each of the first five years, regardless of your age the day the account is opened.

Consecutive Annual Contributions

Year	Value	180 Day Penalty
1	\$1,041	\$21
2	1,083	22
3	1,127	23
4	1,173	23
5	1,221	24

Disclosure Statement and Custodial Agreements

USAA Traditional IRA Custodial Agreement

For use with: 1) USAA Self-Directed traditional IRAs; 2) USAA Mutual Fund traditional IRAs; and 3) USAA Federal Savings Bank traditional IRAs.

The Depositor is establishing a traditional individual retirement account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian has given the Depositor the disclosure statement required by Regulations section 1.408-6. The Depositor and the Custodian make the following agreement:

Article I

Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k), or a recharacterization contribution described in section 408A(d)(6), the Custodian will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

Article II

The Depositor's interest in the balance in the custodial account is non-forfeitable.

Article III

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
2. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

Article IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the Depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The Depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70½. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in:
 - a) A single sum or
 - b) Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.

3. If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
 - a) If the Depositor dies on or after the required beginning date and:
 - (i) the designated beneficiary is the Depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
 - (ii) the designated beneficiary is not the Depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
 - (iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.
 - b) If the Depositor dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:
 - (i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the Depositor's death. If, however, the designated beneficiary is the Depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 70½. But, in such case, if the Depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.
 - (ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.
4. If the Depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the Depositor's surviving spouse, no additional contributions may be accepted in the account.
5. The minimum amount that must be distributed each year, beginning with the year containing the Depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:
 - a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the Depositor reaches age 70½, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business

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on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.

- b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
 - c) The required minimum distribution for the year the Depositor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
6. The owner of two or more traditional IRAs may satisfy the minimum distribution requirements described above by taking from one traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

Article V

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and the Depositor the reports prescribed by the IRS.

Article VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with section 408(a) and the related regulations will be invalid.

Article VII

This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the Custodian and Depositor.

Article VIII

All provisions set forth in the section of this Handbook entitled "Additional Provisions Applicable to USAA Traditional and Roth IRAs" also apply to this custodial agreement (Agreement) and are incorporated herein for all purposes, unless such additional provisions state otherwise.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 5305-A is a model custodial account agreement that meets the requirements of section 408(a) and has been pre-approved by the IRS. A traditional individual retirement account (traditional IRA) is established after the form is fully executed by both the individual (Depositor) and the Custodian

and must be completed no later than the due date of the individual's income tax return for the tax year (excluding extensions). This account must be created in the United States for the exclusive benefit of the Depositor and his or her beneficiaries.

Do *not* file Form 5305-A with the IRS. Instead, keep it with your records.

For more information on IRAs, including the required Disclosures the Custodian must give the Depositor, see IRS *Pub. 590*, Individual Retirement Arrangements (IRAs).

Definitions

Custodian – The custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as custodian.

Depositor – The depositor is the person who establishes the custodial account.

Identifying Number – The Depositor's Social Security number will serve as the identification number of his or her IRA. An employer identification number (EIN) is required only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

Traditional IRA for Nonworking Spouse – Form 5305-A may be used to establish the IRA custodial account for a nonworking spouse.

Contributions to an IRA custodial account for a nonworking spouse must be made to a separate IRA custodial account established by the nonworking spouse.

Specific Instructions

Article IV – Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the Depositor reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

Article VIII – Article VIII and any that follow it may incorporate additional provisions that are agreed to by the Depositor and Custodian to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the Depositor, etc. Attach additional pages if necessary.

USAA Roth IRA Custodial Agreement

For use with: 1) USAA Self-Directed Roth IRAs; 2) USAA Mutual Fund Roth IRAs; and 3) USAA Federal Savings Bank Roth IRAs.

The Depositor is establishing a Roth individual retirement account (Roth IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian has given the Depositor the disclosure statement required by Regulations section 1.408-6. The Depositor and the Custodian make the following agreement:

Article I

Except in the case of a rollover contribution described in section 408A(e), a recharacterized contribution described in section 408A(d)(6), or an IRA Conversion Contribution, the Custodian will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close

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of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

Article II

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a single Depositor, the annual contribution is phased out between adjusted gross income (AGI) of \$95,000 and \$110,000; for a married Depositor filing jointly, between AGI of \$150,000 and \$160,000; and for a married Depositor filing separately, between AGI of \$0 and \$10,000. In the case of a conversion, the Custodian will not accept IRA Conversion Contributions in a tax year if the Depositor's AGI for the tax year the funds were distributed from the other IRA exceeds \$100,000 or if the Depositor is married and files a separate return. AGI is defined in section 408A(c)(3) and does not include IRA Conversion Contributions.
2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the Depositor and his or her spouse.

Article III

The Depositor's interest in the balance in the custodial account is non-forfeitable.

Article IV

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
2. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

Article V

1. If the Depositor dies before his or her entire interest is distributed to him or her and the Depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with (a) below or, if elected or there is no designated beneficiary, in accordance with (b) below:
 - a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the Depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the Depositor.
 - b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.
2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the Depositor's death and subtracting 1 from the divisor for each subsequent year.
3. If the Depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the Depositor.

Article VI

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).
2. The Custodian agrees to submit to the IRS and Depositor the reports prescribed by the IRS.

Article VII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.

Article VIII

This Agreement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. Other amendments may be made with the consent of the Custodian and Depositor.

Article IX

All provisions set forth in the section of this Handbook entitled "Additional Provisions Applicable to USAA Traditional and Roth IRAs" also apply to this custodial agreement (Agreement) and are incorporated herein for all purposes, unless such additional provisions state otherwise.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 5305-RA is a model custodial account agreement that meets the requirements of section 408A and has been pre-approved by the IRS. A Roth individual retirement account (Roth IRA) is established after the form is fully executed by both the individual (Depositor) and the Custodian. This account must be created in the United States for the exclusive benefit of the Depositor and his or her beneficiaries.

Do *not* file Form 5305-RA with the IRS. Instead, keep it with your records.

Unlike contributions to traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the Depositor's gross income; and distributions after 5 years that are made when the Depositor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the custodian must give the depositor, see IRS Pub. 590, Individual Retirement Arrangements (IRAs).

Definitions

IRA Conversion Contributions – – IRA Conversion Contributions are amounts rolled over, transferred, or considered transferred from a nonRoth IRA to a Roth IRA. A nonRoth IRA is an individual retirement account or annuity described in section 408(a) or 408(b), other than a Roth IRA.

Custodian – The custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as custodian.

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Depositor – The depositor is the person who establishes the custodial account.

Specific Instructions

Article I – The Depositor may be subject to a 6% tax on excess contributions if (1) contributions to other individual retirement arrangements of the Depositor have been made for the same tax year, (2) the Depositor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the Depositor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year. The Depositor should see the disclosure statement or *Pub. 590* for more information.

Article V – This article describes how distributions will be made from the Roth IRA after the Depositor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the Depositor's intent. Under paragraph 3 of Article V, the Depositor's spouse is treated as the owner of the Roth IRA upon the death of the Depositor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary, and not the owner, an overriding provision should be added to Article IX.

Article IX – Article IX and any that follow it may incorporate additional provisions that are agreed to by the Depositor and Custodian to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the Depositor, etc. Attach additional pages if necessary.

Additional Provisions Applicable to USAA Traditional and Roth IRAs

1. The Depositor represents that he or she is eligible for a traditional IRA or Roth IRA, as applicable, and that the contributions to be made will be made in accordance with the laws and regulations applicable thereto. The Depositor further acknowledges that he or she is responsible for all fines and assessments, and for any adverse tax consequences imposed on the Depositor pursuant to law. The Custodian assumes no liability whatsoever for tax implications associated with this Agreement.
2. The making of a contribution by the Depositor shall be deemed a statement by the Depositor that such contribution does not exceed the limitations on contributions set forth in this Agreement or the Code. In the event that the Depositor notifies the Custodian that an amount has been contributed to the custodial account in excess of such limitations, the Custodian shall distribute cash in an amount equal to such excess, together with all earnings thereon, to the Depositor. Such notice shall identify the amount, the cause of the excess contribution, and the amount of net income in the custodial account attributable to such excess. The Custodian shall have no duty to determine whether there has been an excess contribution.
3. The Depositor acknowledges that he or she has been advised as follows:
 - a) That the entirety of this Agreement has not been approved by the IRS; and
 - b) That the Custodian does not make warranties or in any way represent that the Depositor will qualify for all or any portion of the retirement savings deductions under the Code with respect to traditional IRAs, or that earnings of the account will be exempt from taxation, or that any rollover contribution will be excludable from gross income for tax purposes, or that the Depositor will be free of any penalty taxes he or she may incur as a result of his or her failure to comply with the laws and regulations applicable to traditional IRAs or Roth IRAs, as applicable.
4. The Depositor will inform the Custodian of any change in the information supplied to the Custodian that could affect the efficient administration of the custodial account. The information will include, but will not be limited to, a change in mailing or residence address, a change in beneficiary, and a change in the Depositor's tax year for contributions.
5.
 - a) All contributions made under this Agreement, other than rollover contributions and conversions of other individual retirement plans permitted by the Custodian to be made in kind, shall be deposited in the form of cash and shall be made to the Custodian in accordance with such rules as the Custodian may establish. Any contribution so made with respect to a tax year of the Depositor shall be made prior to the due date of the Depositor's tax return (not including extensions). Unless otherwise indicated in writing by the Depositor (to the extent permitted by applicable law or regulation), contributions shall be credited to the tax year in which they are received by the Custodian.
 - b) The Custodian shall have the right to receive rollover contributions and conversions as described in the Code. With respect to USAA Self-Directed traditional IRAs or Roth IRAs and USAA Mutual Fund traditional IRAs or Roth IRAs, if any property is so transferred to it as a rollover contribution or a conversion, the Custodian may, in its discretion, sell such property, and if it does so, shall reinvest the proceeds, less any expenses, fees, or commissions, as provided herein. The Custodian reserves the right to refuse to accept any property which is not in the form of cash. Any amounts received by the Custodian under this paragraph shall be accompanied by such records and other documents as the Custodian deems necessary to establish the nature, value, and extent of the assets, and of the various interests therein.
 - c) If the Depositor indicates on the Adoption Agreement that the initial contribution to the custodial account is a "rollover contribution," then the Depositor warrants and certifies that such amount qualifies as a "rollover contribution." The Depositor shall assume the obligation to ascertain whether such a rollover contribution is proper pursuant to the Code or the provisions of any other plan or custodial account.
6. a) All assets in the custodial account shall be invested in accordance with the Depositor's instructions (or the beneficiary's instructions following the death of the Depositor) in the following:
 - (i) for USAA Self-Directed traditional IRAs or Roth IRAs (but not USAA Mutual Fund or USAA Federal Savings Bank traditional IRAs or Roth IRAs),
 - (A) interest-bearing depository products,
 - (B) the shares of one or more Designated Investment Companies (as defined below), and/or
 - (C) other securities as the Depositor (or beneficiary, if applicable) may specify from time to time;
 - (ii) for USAA Mutual Fund traditional IRAs or Roth IRAs, the shares of one or more Designated Investment Companies; and
 - (iii) for USAA Federal Savings Bank traditional IRAs or Roth IRAs, interest-bearing depository products offered by the Custodian and designated by the Custodian as available for investment in the custodial account.

These instructions may relate to current contributions or to amounts previously contributed (including earnings thereon) or to both. In the event that the Custodian receives a contribution from the Depositor with respect to which no investment direction is specifically applicable,

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or if any such investment direction is, in the opinion of the Custodian, unclear, the Custodian may hold such amounts uninvested or return any such contributions without liability for any loss, including any loss of income or appreciation, and without liability for interest or any tax liability incurred by the Depositor (or beneficiary, if applicable) pending receipt of instructions or clarification. In the event of any investment in a certificate of deposit, such certificate of deposit shall be purchased at the interest rate applicable to the term of such certificate of deposit after receipt of the contribution by the Custodian. The Custodian may continue to accept or add contributions and interest to the custodial account even though the balance in the account, or in any certificate of deposit or money market deposit account, exceeds the maximum insurance protection provided to the Depositor (or beneficiary, if applicable) for such deposits. For all purposes of this Agreement, the term "Designated Investment Company" shall mean USAA MUTUAL FUNDS TRUST and any other regulated investment company for which USAA ASSET MANAGEMENT COMPANY (or any affiliate thereof) acts as investment adviser and which is designated by USAA Investment Management Company as eligible for investment under this Agreement.

- b) Upon receipt of instructions from the Depositor (or the beneficiary following the death of the Depositor) in a form and manner acceptable to the Custodian, the Custodian may cause any securities (including the shares of a Designated Investment Company) held in the custodial account to be sold or redeemed at then-current market values and hold the proceeds from such sale or redemption as interest-bearing deposits or cause such proceeds to be reinvested in other securities as further instructed by the Depositor (or the beneficiary following the death of the Depositor).
 - c) Upon receipt of instructions from the Depositor (or the beneficiary following the death of the Depositor) in a form and manner acceptable to the Custodian, the Custodian may exchange or cause to be exchanged shares of a Designated Investment Company held in the custodial account for the shares of any other Designated Investment Company, subject to and in accordance with the terms and conditions of the current prospectuses of such Designated Investment Companies and as may be agreed upon from time to time between the Custodian and USAA Investment Management Company. All dividends and capital gains distributions received on shares of a Designated Investment Company held in the custodial account shall, unless received in additional shares, be reinvested in shares of the Designated Investment Company paying such dividends. If any distributions of the shares of a Designated Investment Company may be received at the election of the Depositor (or the beneficiary following the death of the Depositor) in additional shares or in cash or other property, the Custodian shall elect to receive additional shares.
 - d) Upon the maturity of a certificate of deposit, the entire proceeds thereof shall be reinvested in a certificate of deposit having the same term as the maturing certificate of deposit, at the then prevailing interest rate, unless the Depositor (or the beneficiary following the death of the Depositor) has otherwise directed in writing.
 - e) With respect to USAA Mutual Fund traditional IRAs or Roth IRAs, in the event of the liquidation of a Designated Investment Company whose shares are held in the custodial account, the cash proceeds from such liquidation shall be reinvested, and the Depositor (or the beneficiary following the death of the Depositor) hereby instructs the Custodian to reinvest such cash proceeds, in shares of USAA Money Market Fund, which is another Designated Investment Company, pending the Custodian's receipt of further instructions from the Depositor (or the beneficiary following the death of the Depositor)
 - f) The Custodian shall be under no duty to request instructions with respect to investment of assets in any account.
 - g) If the custodial account is required to file Form 990-T for a year, the Depositor (or the beneficiary following the death of the Depositor) shall be responsible for preparing and providing to the Custodian the properly completed Form 990-T in time for the Custodian to file the return by the due date (including any extensions) in addition to an authorization to the Custodian to pay tax due from the IRA account related to such Form. The Custodian shall have no responsibility to prepare the Form 990-T or to review the Form 990-T received from the Depositor (or the beneficiary following the death of the Depositor) and shall be responsible only for promptly filing the Form 990-T after receipt from the Depositor (or the beneficiary following the death of the Depositor). Upon receipt of the completed Form, the Custodian may file the Form notwithstanding that your IRA account does not contain a balance sufficient to pay the tax.
 - h) If the value of the custodial account falls below the minimum level which the Custodian may from time to time establish for USAA Self-Directed or USAA Mutual Fund traditional IRAs or Roth IRAs and the Depositor (or the beneficiary following the death of the Depositor) does not make an additional contribution to the custodial account to bring the value of the custodial account to at least the specified minimum level within thirty (30) days of receipt of written notice from the Custodian of such minimum level, the Custodian shall liquidate the custodial account and distribute the proceeds to the Depositor (or the beneficiary following the death of the Depositor).
7. The Custodian shall deliver, or cause to be delivered, to the Depositor (or the beneficiary following the death of the Depositor) all notices, prospectuses, financial statements, proxies and proxy soliciting materials relating to Designated Investment Companies' shares, and other securities held in the custodial account. The Custodian shall not vote any of the shares held hereunder except in accordance with the written instructions received in a form and manner acceptable to the Custodian from the Depositor (or the beneficiary following the death of the Depositor); however, as to any shares for which the Custodian has not received timely instructions in proper form from the Depositor (or the beneficiary following the death of the Depositor), the Custodian is hereby directed to, and shall, vote such shares as present for the purpose of establishing the presence of a quorum and, further, vote such shares for or against any proposition in the same proportion as all shares of the Designated Investment Company held in USAA Self-Directed or USAA Mutual Fund traditional IRAs or Roth IRAs, as applicable, for which instructions in proper form have been timely received by the Custodian.
 8. The Custodian shall, from time to time, in accordance with instructions received in a form and manner acceptable to the Custodian from the Depositor (or the beneficiary following the death of the Depositor), make distributions out of the custodial account in the manner and amounts specified in such instructions. All such instructions shall be deemed to constitute a certification by the Depositor (or the beneficiary following the death of the Depositor) that the distribution directed is one that the Depositor (or the beneficiary following the death of the Depositor) is permitted to receive. Notwithstanding any other provision of this Agreement, the Custodian assumes (and shall have) no responsibility to make any distribution to the Depositor (or the beneficiary) unless and until such instructions specify the occasion for such distribution. Prior to making any such distribution from the custodial account, the Custodian shall be furnished with any and all applications, certificates, tax waivers, signature guarantees, and other documents (including proof of any legal representative's authority) deemed necessary or advisable by the Custodian, but the Custodian

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shall not be liable for complying with instructions which appear to be genuine, or for refusing to comply if not satisfied such instructions are genuine, and assumes (and shall have) no duty of further inquiry. In the event of a dispute as to the capacity of the Depositor or of the Depositor's agent (or a dispute as to the capacity, status, or designation of a beneficiary following the death of the Depositor), the Custodian shall be furnished with any and all court orders, agreements, or other documents deemed necessary or advisable by the Custodian in the Custodian's sole and complete discretion, and the Custodian shall not be required to make any distribution while such dispute is ongoing or unresolved in the sole and complete judgment of the Custodian, nor shall the Custodian be liable in any way for damages or losses, including, but not limited to, market losses, caused by the refusal to make distributions while such dispute is ongoing or unresolved in the sole and complete judgment of the Custodian; provided, however, nothing herein shall require the Custodian to make any inquiry or affirmatively seek relief or initiate any proceeding in any court or tribunal. The Depositor (or the beneficiary following the death of the Depositor) shall provide such instructions within a reasonable period prior to the date the distribution is requested to be made.

After receipt of proper instructions as required above, the Custodian shall cause the assets of the custodial account to be distributed in cash and/or in kind, as specified in such order; provided, however, that any beneficiary may be required to submit any form or application deemed necessary or proper by the Custodian, including, but not limited to, an application to open any IRA account in the name of the beneficiary or in other name deemed appropriate by the Custodian. The Custodian shall have the right, but not the obligation, to require that any distribution to a beneficiary be made to an IRA account opened in the beneficiary's name with the Custodian

9. a) The Depositor shall have the right, by notice to the Custodian in a form and manner acceptable to the Custodian, to designate one or more beneficiaries (or to change any such beneficiary) to receive any funds remaining in the custodial account upon the Depositor's death. If, at the time of the Depositor's death, either (i) no such designation is in effect or (ii) there is no beneficiary who survives the Depositor, the Depositor's beneficiary shall be the Depositor's surviving spouse or, if there is no surviving spouse, then the estate of the Depositor. The last designation received and accepted by the Custodian prior to the Depositor's death (the "designation of record") shall be controlling and, whether or not it fully disposes of the custodial account, shall revoke all other such designations previously made by the Depositor and received by the Custodian. If the designation of record on file with the Custodian does not appear to fully dispose of the custodial account, the Depositor's surviving spouse or, if there is no surviving spouse, then the Depositor's estate shall be the beneficiary of any undisposed of portion of the custodial account or of any portion of the custodial account for which the identity of the beneficiary is, in the opinion of the Custodian, unclear.
 - b) After the death of the Depositor, a beneficiary ("Initial Beneficiary") shall have the right, by notice to the Custodian in a form and manner acceptable to the Custodian, to designate one or more beneficiaries (or to change any beneficiary so designated under this subsection 9(b)) to receive any funds remaining in the custodial account (with respect only to the Initial Beneficiary's interest therein) upon the Initial Beneficiary's death. For purposes of the preceding sentence, the provisions of the foregoing subsection 9(a) shall apply as though the Initial Beneficiary were the Depositor, and the references in subsection 9(a) to the custodial account shall refer only to the Initial Beneficiary's interest in the custodial account. Nothing herein, however, shall obligate the Custodian to make a distribution to the Initial Beneficiary without the Initial Beneficiary supplying the Custodian with any application or other forms the Custodian deems necessary or advisable, in the Custodian's sole and complete discretion.
- c) By accepting a designation of record, the Custodian assumes (and shall have) no responsibility or liability with respect to the legal or tax consequences of the designation, including but not limited to the impact on such designation of community property laws or laws governing inheritance of property.
10. The Custodian, upon the direction of the Depositor in a form and manner acceptable to the Custodian, shall transfer the assets held under this Agreement, reduced by any amounts referred to in paragraph 12 of these additional terms and conditions, to a successor individual retirement plan for the Depositor's benefit.
 11. The Depositor hereby delegates to USAA Investment Management Company the power to amend at any time, and from time to time, the terms and provisions of this Agreement and hereby consents to such amendments, provided they comply with all applicable provisions of the Code, the regulations thereunder and any other statute, regulation, or ruling. Any such amendments shall be effective as of the date specified in a notice sent by first-class mail to the address of the Depositor (or the beneficiary following the death of the Depositor) indicated by the Custodian's records, or by such other method (including, without limitation, any electronic delivery method) as USAA Investment Management Company may determine to be appropriate, except that no amendment which increases the burdens of the Custodian shall take effect without the Custodian's prior written consent.
 12. a) The Custodian may charge the Depositor (or the beneficiary following the death of the Depositor) reasonable fees, including an annual maintenance fee, for services rendered hereunder according to standard schedules of rates which may be in effect from time to time. Initially, the fees payable to the Custodian shall be those set forth in the literature provided with this Agreement. Upon thirty (30) days' prior written notice, the Custodian may substitute a fee schedule differing from that schedule initially provided.
 - b) Any income taxes or other taxes of any kind whatsoever levied or assessed upon or with respect to the assets of the custodial account, or the income arising therefrom, any transfer taxes incurred, any expenses incurred by the Custodian in the performance of its duties, including fees for legal services rendered to the Custodian, and the Custodian's compensation may, at the Custodian's option, be paid by the Depositor (or the beneficiary following the death of the Depositor) but, unless so paid within such time period as the Custodian may establish, shall be paid from the custodial account, with the Custodian having the right to liquidate shares of any Designated Investment Company or any other securities held in the custodial account. The Custodian reserves the right to reduce or waive fees with respect to any class or group of Depositors.
13. The Custodian shall have the right to rely upon any information furnished by the Depositor (or the beneficiary following the death of the Depositor). The Depositor hereby agrees that the Custodian will not be liable for any loss or expense resulting from any action taken or determination made in reliance upon such information.
 14. The Custodian will not purchase an annuity contract on behalf of the Depositor.
 15. The Custodian may perform any of its administrative duties through such other persons or entities as may be designated by the Custodian from time to time with the prior approval of USAA Investment Management Company, except that the assets of the custodial account must be registered in the name of the Custodian or its nominee. No such designation or change thereof shall be considered an amendment of this Agreement.

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16. This Agreement shall terminate upon the complete distribution of the assets of the custodial account.
17. Any notice herein required or permitted to be given to the Custodian shall be adequately given if mailed to the Custodian, by first-class mail, at USAA Federal Savings Bank, 10750 McDermott Fwy., San Antonio, Texas 78288-0544, or to such other address as the Custodian shall provide the Depositor (or the beneficiary following the death of the Depositor) from time to time in writing, which writing shall state that such other address is to be used for purposes of this Agreement. Any notice herein required or permitted to be given to the Depositor (or beneficiary, as applicable) shall be adequately given if (i) mailed to the Depositor (or beneficiary, as applicable) at his or her address appearing on the application, or at such other address as the Depositor (or beneficiary, as applicable) shall provide the Custodian from time to time in writing, which writing shall state that such other address is to be used for purposes of this Agreement; or (ii) provided by such other method (including, without limitation, any electronic delivery method) as USAA Investment Management Company or the Custodian may determine to be appropriate. The Custodian shall not be bound by any certificate, notice, order, information, or other communication unless and until it shall have been received in the form and manner prescribed by the Custodian at the foregoing address.
18. The Custodian shall mail, or furnish by such other method (including, without limitation, any electronic delivery method) as the Custodian may determine to be appropriate, to the Depositor (or the beneficiary following the death of the Depositor) each calendar year an accounting of all transactions affecting the custodial account during such year and a statement showing the balance of the custodial account as of the end of such year. If within 60 days after mailing or furnishing such accounting, the Depositor (or beneficiary, as applicable) has not given the Custodian written notice of any exception or objection thereto, the annual accounting shall be deemed to have been approved, and in such case, or upon the written approval of the Depositor (or beneficiary, as applicable), the Custodian shall be released, relieved, and discharged with respect to all matters and statements set forth in such accounting as though the account had been settled by judgment or decree of a court of competent jurisdiction.
19. Contributions to a traditional or Roth IRA for a spouse must be contributed to a separate traditional IRA or Roth IRA custodial account, as applicable, established by such spouse, and such spouse shall thereafter be deemed to be the Depositor with respect to such separate custodial account.
20. The Custodian shall have no duty to account for deductible contributions separately from non-deductible contributions. In determining the taxable amount of a distribution, the Depositor shall rely on his or her annual federal income tax return and not on any reports of the Custodian which are based on the Depositor's characterization in the Adoption Agreement. The Custodian shall withhold federal income tax from any distribution from the custodial account as required under the Code.
21. a) The Depositor and the Depositor's legal representatives (or the beneficiary following the death of the Depositor), as appropriate, shall always fully indemnify the Custodian, USAA Investment Management Company, USAA Financial Advisors, Inc., and the Designated Investment Companies, and hold each of them harmless from any and all liability whatsoever which may arise in connection with the establishment and maintenance of the custodial account and the performance of their obligations under this Agreement (including that which arises out of their own negligence or the negligence of their agents), except that which arises due to their gross negligence, willful misconduct, or lack of good faith.

The Custodian shall not be obligated or expected to commence or defend any legal action or proceeding in connection with this Agreement or such matters unless agreed upon by the Custodian and the Depositor or said legal representatives (or beneficiary) and unless fully indemnified for so doing to the Custodian's satisfaction.
- b) The Custodian shall be an agent for the Depositor (or the beneficiary following the death of the Depositor) to perform the duties conferred on it by the Depositor. The parties do not intend to confer any fiduciary duties on the Custodian and none shall be implied. The Custodian shall not be liable (and does not assume any responsibility for) the collection of contributions, the deductibility of any contribution, or the propriety of any contributions received by it under this Agreement, the selection of any shares of any Designated Investment Company or other securities or investments for the custodial account, or the purpose or propriety of any distribution ordered, which matters are the sole responsibility of the Depositor (or the Depositor's beneficiary, as applicable).
- c) The Custodian, USAA Investment Management Company, and USAA Financial Advisors, Inc. shall not be responsible for any losses, penalties, or other consequences to the Depositor or to any other person arising out of the making of any contribution or withdrawal.
22. This Agreement shall be effective, subject to acceptance by the Custodian, as of the date of delivery or mailing to the Custodian. If mailed, it shall be deemed mailed on the date of the postmark if it is deposited in the United States mail and addressed properly with first-class postage pre-paid.
23. The Custodian may at any time, upon thirty (30) days' written notice to the Depositor (or the beneficiary following the death of the Depositor), assign its responsibilities under this Agreement to a successor custodian, which successor custodian shall be a "bank" as defined in Section 408(n) of the Code or another person found qualified to act as a custodian of an IRA by the secretary of the Treasury or his delegate. The Custodian also may at any time, upon thirty (30) days' written notice to the Depositor (or the beneficiary following the death of the Depositor), terminate its responsibilities as Custodian under this Agreement.
24. The benefits provided hereunder shall not be subject to alienation, assignment, garnishment, attachment, execution, or levy of any kind, and any attempt to cause such benefits to be so subjected shall not be recognized, except to such extent as may be required by law. Any pledging of assets in the custodial account by the Depositor as security for a loan, or any loan or other extension of credit from the custodial account to the Depositor shall be prohibited.
25. This Agreement, which incorporates the Application and Adoption Agreement as a part thereof, shall be governed, construed, administered, and enforced according to the laws of the state of Texas without regard to principles of conflict of laws. The custodial account shall be deemed to be created and maintained in the state of Texas.

