



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

AMENDMENT TO THE TERMS OF YOUR USAA FEDERAL SAVINGS BANK DEPOSIT ACCOUNT

Effective October 10, 2025

Read this amendment carefully and retain it for your records.

USAA Federal Savings Bank ("FSB," "we," or "us") is changing the terms of your deposit accounts with us, effective October 10, 2025. Revisions have been made to the following documents:

- USAA Federal Savings Bank Depository Agreement and Disclosures
- Account and Service Fee Schedule
- Terms and Conditions of the USAA Pay Bills Service (collectively, the "Agreement")

All provisions of the Agreement continue to apply, except to the extent they are modified by this amendment.

The ***USAA Federal Savings Bank Depository Agreement and Disclosures*** is amended as follows:

- 1) In the ***Receiving Funds Transfers*** paragraph in the ***General Provisions for Wire Transfers*** provision in the ***Domestic and International Wires*** section, we have added a sentence to clarify certain processing requirements. The changes are shown in bold for your convenience.

Receiving Funds Transfers: We notify you about funds transfers credited to your account by listing them on your account statement. In some cases, we also may notify you electronically or in writing. Funds transfers are credited based solely on the account number specified on the payment order even if the name on the payment order differs from the name on the account. **Funds transfers you receive are subject to review and verification, including any reviews required by applicable law, before they can be credited to your account.** If you are receiving a funds transfer that was sent in a foreign currency, the funds will be converted to U.S. Dollars by an intermediary or correspondent bank before receipt by us and your account will be credited in U.S. Dollars. The foreign currency exchange rate may include a spread, commission and other costs, and may differ from rates quoted elsewhere.

- 2) The following information has been added at the end of the ***Overdraft Policy*** provision in the ***Using Your Account*** section.

Certain online and mobile banking services, such as USAA Pay Bills and Zelle®, are governed by separate terms and conditions, and supplement this Agreement. You receive the separate terms and conditions, which may include how this Overdraft Policy applies to the service, at the time you enroll in the service.

Corresponding updates have been made to the ***Standard Overdraft Setting*** paragraph to reflect this change.

- 3) The chart illustrating the overdraft policy in the ***Overdraft Policy*** provision of the ***Using Your Account*** section has been updated. The third bullet in the first row of the chart has been deleted.

Deleted: Payments using the USAA Pay Bills service

- 4) The ***Amount of deposit*** bullet in the ***Overdraft Fee Refund Window*** provision in the ***Using Your Account*** section has been updated to change to the amount your account can be overdrawn before we will charge the Overdraft Fee from negative (-) \$50 to negative (-) \$100.

Deleted: \$50

Replaced with: \$100

The new text reads as follows. The revision is bolded for your convenience.

- **Amount of deposit.** The deposit must be enough to bring the account's Available Balance to at least negative (-) **\$100** (i.e. your account's Available Balance must not be overdrawn by more than **\$100**) after all items (not including the Overdraft Fee subject to refund) have processed at the end of the *Business Day following the posting date of the Overdraft Item*.

Corresponding updates have been made to the example that follows to reflect the increase in the overdrawn amount permitted before a fee will be charged from negative (-) \$50 to negative (-) \$100.

<u>EXAMPLE:</u> Tuesday: On Tuesday, your account's beginning Available Balance was \$100. At our discretion, a \$300 item was paid and posted on Tuesday, resulting in an ending Available Balance (overdraft balance) of negative (-) \$200. Wednesday: On Wednesday, we received a \$100 deposit of available funds into the account via a transfer prior to 9 p.m. Central Time, which brought the account to an Available Balance of negative (-) \$100. But during end-of-Business Day processing, a check you wrote is presented for payment against your account in the amount of \$50 (which we pay, in this instance, at our discretion). (The check did not appear on the USAA Mobile App or usaa.com until after end-of-Business Day processing was complete.) This brought your account's Available Balance down to negative (-) \$150. Also on Wednesday, one \$29 Overdraft Fee was charged for Tuesday's Overdraft Item. You do not qualify for a refund of the Overdraft Fee for Tuesday's Overdraft Item. The account's Available Balance is negative (-) \$150 after all items (not including the Overdraft Fee subject to refund) have processed at the end of Wednesday (<i>the Business Day following the posting date of the Overdraft Item</i>). To qualify for a refund of the Overdraft Fee, that Available Balance must be at least negative (-) \$100; we must have received total qualifying deposit(s) in the amount of at least \$150 within the <i>Overdraft Fee Refund Window</i>. Note, on Thursday, a \$29 Overdraft Fee will be charged for Wednesday's Overdraft Item (the \$50 check paid). You may qualify for a refund of this Overdraft Fee by making a qualifying deposit according to the terms of this <i>Overdraft Fee Refund Window provision</i>.	<u>THE MATH:</u> Tuesday: \$100 beginning Available Balance - <u>\$300 item (Overdraft Item)</u> = -\$200 ending Available Balance (overdraft balance) Wednesday: - \$200 beginning Available Balance (overdraft balance) + \$100 deposit of available funds - <u>\$50 check paid (Overdraft Item)</u> = -\$150 Available Balance (not including the Overdraft Fee below subject to possible refund) - \$29 Overdraft Fee for Tuesday's \$300 item You do not qualify for a refund of the Overdraft Fee charged to your account on Wednesday.
---	--

The **USAA Federal Savings Bank Account and Service Fee Schedule** is amended as follows:

- 1) The third bullet in the **Overdraft Fee** row of the **Overdraft / Non-Sufficient Funds Fees** table has been updated to reflect the change to the amount your account can be overdrawn before we will charge the Overdraft Fee.

Deleted: \$50

Replaced with: \$100

The new text reads as follows. The revision is bolded for your convenience.

- We do not charge an Overdraft Fee if your account is overdrawn by **\$100** or less after all transactions have processed at the end of the Business Day, and we do not charge an Overdraft Fee for individual items of \$5 or less (“USAA Overdraft Fee Cushion”).

The **Terms and Conditions of the USAA Federal Savings Bank Pay Bills Service** is amended as follows:

- 1) The following provision is added to the **Terms and Conditions of the USAA Pay Bills Service**.

Overdraft Policy

If we determine that the Available Balance of your Payment Account isn’t enough to pay a Scheduled Payment, and the Scheduled Payment is not paid by an enrolled Overdraft Protection protecting account (if applicable), then we will handle the Scheduled Payment according to your account’s overdraft setting. We offer two overdraft settings: Standard Overdraft and Auto-Decline. See the Depository Agreement and Disclosures for additional information on these overdraft settings and how they relate to other payments.

The following chart illustrates the overdraft policy described above and describes how we handle your Scheduled Payment with each overdraft setting when we determine your Payment Account’s Available Balance isn’t enough to pay a Scheduled Payment:

OVERDRAFT SETTINGS	
Standard Overdraft	Auto-Decline
We may elect to pay the Scheduled Payment, at our discretion, causing an overdraft. Overdraft Fees may apply. See the Account and Service Fee Schedule for details. <u>If we do not pay the Scheduled Payment</u> , we decline or return the Scheduled Payment unpaid. Overdraft Fees do not apply.	We decline or return the Scheduled Payment unpaid. Overdraft Fees do not apply.



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

TRADITIONAL AND ROTH IRA APPLICATION

Effective December 18, 2020, USAA Federal Savings Bank is only able to establish a new Individual Retirement Account, also known as an IRA, for existing USAA Federal Savings Bank IRA owners and eligible IRA beneficiaries.

How to Complete the Application

1. Read the USAA Traditional/Roth IRA Disclosure Statements and Custodial Agreements.
2. Complete the application in its entirety.
3. Make checks payable to USAA Federal Savings Bank.
4. Return all pages of the completed application to USAA Federal Savings Bank.

Note: If you'd like to add, change or delete a beneficiary, fill out the [Individual Retirement Account Designation of Beneficiary Form](#).

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. **What this means for you:** When you open an account, we'll ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Personal Information

USAA Number	Social Security Number	Date of Birth (MM/DD/YY)
-------------	------------------------	--------------------------

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
--------------------------------	------	-------	----------

Phone Number (include area code)	Employer	Occupation
----------------------------------	----------	------------

1. Are you a U.S. citizen? ☐ Yes ☐ No

If no, fill out the following section. If yes, go to question 2.

What is your country of citizenship? _____

What is your Residency Status? ☐ Resident Alien ☐ Non-Resident Alien

Passport Number: _____

Issue Date: _____

84603-0525



Online: usaa.com



Phone: 210-531-USAA (8722) 800-531-8722 (TTY: 711/TRS)



Mobile: #8722

Passport Issuing Authority (Country that issued passport): _____

Passport Expiration Date: _____

U.S. Permanent Resident Card Number: (if applicable) _____

U.S. Permanent Resident Card Expiration Date: (if applicable) _____

☐ U.S. Permanent Resident Card does not expire.

2. What is your yearly income?

☐ Less than \$50,000 ☐ \$50,000 to \$99,999 ☐ \$100,000 to \$199,999 ☐ \$200,000 to \$399,999
☐ \$400,000 to \$749,999 ☐ \$750,000 to \$999,999 ☐ \$1,000,000 to \$4,999,999 ☐ \$5,000,000 or More

3. What is the main source of funds you're using to open this account? (Select only one response)

☐ Salary ☐ Child Support or Alimony ☐ Retirement Income ☐ Investment Income ☐ Other

4. Are you a high-level elected or appointed FOREIGN government official, or a family member or close associate of one?

Check one: ☐ Yes ☐ No

If yes, fill out the following section. If no, proceed to the Product Information section.

Specify your relationship to this person: ☐ Self ☐ Family Member ☐ Close Associate

What is the First and Last Name of this person? _____

Product Information

IRA Plan Type

Check one: ☐ Roth IRA ☐ Traditional 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 (You also need to complete the IRA Transfer Request form available on usaa.com)

☐ Transfer is an Inherited IRA (check only if transferring from Inherited IRA to Inherited IRA)

☐ Traditional to Traditional Amount: \$ _____ or Entire Balance _____

☐ Roth to Roth Amount: \$ _____ or Entire Balance _____

84603-0525



Online: usaa.com



Phone: 210-531-USAA (8722) 800-531-8722 (TTY: 711/TRS)



Mobile: #8722

☐ Internal transfer from an existing USAA IRA (IRA Transfer Request form not required)

IRA Account Number: _____ Amount: \$ _____

☐ Roth Conversion (Authorization for Distribution must be completed for each Traditional IRA)

☐ Close at maturity or immediately (Penalty assessed if CD is not at maturity)

C. Rollover (if applicable)

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

☐ Direct rollover from qualified plan: (i.e. TSP, 401(k), 403(b), government-sponsored 457 plan, etc.)
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 Account Option and Term

If no product is selected, funds will be deposited into an IRA Money Market Savings account. Certificate of Deposit, also known as a CD, rates applied depend on the rate available the day the CD is opened.

☐ Fixed Rate CD	☐ Adjustable Rate CD	☐ Variable Rate CD	☐ IRA Money Market Savings account
Choose one of the following terms:	Adjust rate and make an additional deposit one time during CD term.	Choose one of the following terms:	Rates may change weekly based on market conditions.
☐ 12 months	Choose one of the following terms:	☐ 182 days	
☐ 18 months		☐ 12 months	
☐ 24 months		☐ 18 months	
☐ 30 months		☐ 30 months	
☐ 36 months	☐ 36 months	☐ 60 months	
☐ 48 months	☐ 48 months		
☐ 60 months	☐ 60 months		
☐ 84 months	☐ 84 months		
	Maximum 2% increase over initial rate. Additional deposits should not exceed IRA annual contribution limits and must be at least \$50.		

84603-0525



Online: usaa.com



Phone: 210-531-USAA (8722) 800-531-8722 (TTY:711/TRS)



Mobile: #8722

Payment Information

A. Initial Deposit

Check one:

☐ Check enclosed in the amount of \$ _____.

☐ Debit my existing USAA Federal Savings Bank checking or savings account for my initial deposit of

\$ _____. Account Number: _____ (Account will be debited within 5 business days from the date application is received.)

☐ Debit my existing non-USAA account on my usaa.com Funds Transfer list (provide the full routing and account number)

Routing Number _____

Full Account Number _____ in the amount of \$ _____. (Account will be debited within 5 business days from the date application is received.)

By signing the following, I authorize USAA Federal Savings Bank to initiate a one-time electronic debit from the bank account listed. I understand that this payment cannot be modified or cancelled. I agree that the ACH transaction I authorized complies with all applicable laws.

Read and Sign

I hereby establish an Individual Retirement Account, also known as an IRA, under the terms and conditions set forth in this Application, USAA Federal Savings Bank Depository Agreement and Disclosures, and the USAA Traditional/Roth IRA Disclosure Statements and Custodial Agreements which is incorporated herein by reference. 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.

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.

Signature of IRA Owner (required)

Date (MM/DD/YY)

Deposit products and services offered by USAA Federal Savings Bank, Member FDIC.

84603-0525



Online: usaa.com



Phone: 210-531-USAA (8722) 800-531-8722 (TTY: 711/TRS)



Mobile: #8722



USAA Federal Savings Bank Traditional / Roth IRA Handbook

Disclosure Statements and Custodial Agreements

Effective September 8, 2023

Table of Contents

USAA Federal Savings Bank Traditional IRA Disclosure Statement..... 4

USAA Federal Savings Bank Traditional IRA Custodial Agreement 30

USAA Federal Savings Bank Roth IRA Disclosure Statement..... 35

USAA Federal Savings Bank Roth IRA Custodial Agreement57

Additional Provisions Applicable to USAA Federal Savings Bank
Traditional And Roth IRAs..... 62

USAA Federal Savings Bank 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 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 is established after USAA Federal Savings Bank has received and approved your application for an IRA and you have made an initial deposit to the IRA. An IRA 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 receipt of this Disclosure Statement or that has been established for at least seven days may not be revoked (although it may be terminated).

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

USAA Federal Savings Bank
Attention: IRA Sales and Service
10750 McDermott Fwy.
San Antonio, Texas 78288-0544
Call 800-531-8722 (USAA) (TTY:711/TRS)

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 Federal Savings Bank 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. We may, however, be required by court

order or other legal process to pay all or part of your IRA to a judgment creditor. The amount so paid will be treated as distributed to you in the year paid. Like any other distribution, all or part of the amount paid may be included in your gross income and a 10% penalty tax may be applicable to the taxable portion of the payment if you are not age 59½ or older when it is paid. 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.

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) 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, at any time during the year, you receive taxable compensation (or if you are married and file a joint return, your spouse receives compensation). For any tax year prior to 2020, you were not eligible to make contributions to your traditional IRA if you attained age 70½ at any time during the year.

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 \$6,000 for the 2020 and 2021 tax years. The maximum annual contribution will be indexed to the cost-of-living after 2021. For individuals aged 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. Differential wage payments paid to you by your employer during a period of active military duty of more than 30 days is treated as taxable compensation. Effective for tax years beginning after December 31, 2019, taxable compensation includes any amount that is included in your gross income and paid to you to aid you in the pursuit of graduate or postdoctoral study. Effective December 20, 2019, if you exclude a qualified foster care difficulty-of-care payment from your gross income, you may elect to increase the limit on nondeductible contributions to your IRA for the year of payment by an amount equal to the lesser of (i) the amount of the payment, or (ii) the amount by which the deductible contribution limit otherwise applicable to you for the year exceeds the compensation includible in your gross income for the year.

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. 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. 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 3C.

Distributions from a Spousal IRA do not have to begin until your spouse's Required Beginning Date. 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. If your spouse attains age 70½ on or after January 1, 2020, your spouse's Required Beginning Date is April 1 following the calendar year in which your spouse attains age 72. Beginning in 2023, if your spouse attains age 72 after December 31, 2022, and age 73 before January 1, 2033, your spouse's Required Beginning Date is April 1 following the calendar year in which your spouse attains age 73.

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.

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). For this purpose, spouses 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 (\$104,000 for 2020 and \$105,000 for 2021 for married taxpayers filing joint returns; \$65,000 for 2020 and \$66,000 for 2021 for single taxpayers; \$65,000 for 2020 and \$66,000 for 2021 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 \$196,000 for 2020 (\$198,000 for 2021). If your MAGI exceeds this specified level, the amount of your IRA contribution, which is deductible, is phased out on the basis of:

For 2020, MAGI between \$65,000 and \$75,000 (\$66,000 and \$76,000 for 2021) 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 2020, MAGI between \$104,000 and \$124,000 (\$105,000 and \$125,000 for 2021) if you are married and you and your spouse file a joint return, or;

For 2020, MAGI between \$196,000 and \$206,000 (\$198,000 and \$208,000 for 2021) 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 2020 or 2021, as applicable, and are indexed to the cost-of-living after 2021.

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 (\$65,000 for 2020 and \$66,000 for 2021 or single taxpayers and married taxpayers who file separate returns and did not live together during the year; \$104,000 for 2020 and \$105,000 for 2021 for married taxpayers who file joint returns; \$0 for married taxpayers who file separate returns and lived together during the year; and \$196,000 for 2020 and \$198,000

for 2021 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 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:

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

If you are married and file a joint tax return:

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

Example 1: You are single, under age 50 on December 31, 2020, an active participant, and have MAGI in 2020 of \$67,000. You would calculate your deductible IRA contribution for 2020 as follows: The Excess MAGI is \$67,000 – \$65,000 = \$2,000 Your IRA deduction limit for 2020 is:

$$\frac{\$10,000 - \$2,000}{\$10,000} \times \$6,000 = \$4,800$$

* Excess MAGI means MAGI above the Specified Level.
** Maximum Allowable Deduction means, for both 2020 and 2021, \$6,000 if you do not attain age 50 by December 31, or for both 2020 and 2021, \$7,000 if you are age 50 or older by December 31.

Example 2: You are married and file a joint tax return. For 2021, you and your spouse individually earn more than \$6,000, and you are both active participants and under age 50 on December 31, 2021. Your combined MAGI is \$109,120. Each of you may contribute to an IRA for 2021 and calculate deductible contributions to each IRA as follows: The Excess MAGI is \$109,120 - \$105,000 = \$4,120 Your IRA deduction limit for 2020 is:

$$\frac{\$20,000 - \$4,120}{\$20,000} \times \$6,000 = \$4,764 \text{ (rounded to } \$4,770\text{)}$$

Example 3: In 2020, you are married, age 50 or older by December 31, 2020, and file a joint return. Your spouse, also at least age 50 by December 31, 2020, is an active participant, but you are not. Your combined MAGI is \$107,000. You may each contribute to an IRA for 2020 and calculate deductible contributions to each IRA as follows:

Since your combined MAGI is less than \$196,000, you are not affected by your spouse's active participant status.

Your IRA deduction limit for 2020 is \$7,000.

Your spouse's Excess MAGI is \$107,000 - \$104,000 = \$3,000 Your spouse's IRA deduction limit for 2020 is:

$$\frac{\$20,000 - \$3,000}{\$20,000} \times \$7,000 = \$5,900$$

Example 4: For 2021, 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, 2021. 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 2021 is:

$$\frac{\$10,000 - \$1,400}{\$10,000} \times \$6,000 = \$5,160$$

Though your IRA deduction limit in this example is \$5,160, 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 these rules, 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 2020 (top table) and for 2021 (bottom table) as follows:

Modified Adjusted Gross Income 2020			
Joint Filers	Heads of Household	All Other Filers	Credit Rate
\$0 - \$39,000	\$0 - \$29,250	\$0 - \$19,500	50%
\$39,001 - \$42,500	\$29,251 - \$31,875	\$19,501 - \$21,250	20%
\$42,501 - \$65,000	\$31,876 - \$48,750	\$21,251 - \$32,500	10%
Over \$65,000	Over \$48,750	Over \$32,500	0%

All figures shown in the table are for 2020. These figures are indexed to the cost of living after 2020.

Modified Adjusted Gross Income 2021			
Joint Filers	Heads of Household	All Other Filers	Credit Rate
\$0 - \$39,500	\$0 - \$29,625	\$0 - \$19,750	50%
\$39,501 - \$43,000	\$29,626 - \$32,250	\$19,751 - \$21,500	20%
\$43,001 - \$66,000	\$32,251 - \$49,500	\$21,501 - \$33,000	10%
Over \$66,000	Over \$49,500	Over \$33,000	0%

All figures shown in the table are for 2021. These figures are indexed to the cost-of-living after 2021.

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.

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. 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 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.

A plan loan offset is the amount your employer plan account balance is reduced, or offset, to repay a loan from the plan. How long you have to complete the rollover of a plan loan offset depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until the due date (including extensions) for your tax return for the tax year in which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you

sever from employment. If your plan loan offset occurs for any other reason, then you have 60 days from the date the offset occurs to complete your rollover.

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 your Required Beginning Date (age 72 if you attain age 70½ after December 31, 2019), (c) certain corrective distributions, and (d) a hardship distribution.

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.

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 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 nondeductible 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). These are referred to as qualified charitable distributions. 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. Beginning with the 2020 tax year, the amount of distributions that may be excluded from your gross income as a qualified charitable distribution for any tax year is reduced by the difference between the total amount of your deductible traditional IRA contributions for all tax years ending on or after the date you attained age 70½ and the aggregate amount of all qualified charitable contributions excluded from your income for all prior tax years.

B. Methods of Distribution

1. IRA Distributions

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

- a) a lump-sum withdrawal of the entire balance.
- b) A partial withdrawal of less than the entire balance, but more than the required minimum account balance.

The following conditions apply to traditional IRA distributions:

- a) You may begin receiving distributions without any IRS penalty any time after you reach 59½.
- b) You must begin receiving distributions from your traditional IRA by your Required Beginning Date. If you attain age 70½ on or after January 1, 2020, your Required Beginning Date is April 1 following the calendar year in which you attain age 72. Beginning in 2023, if you attain age 72 after December 31, 2022, and age 73 before January 1, 2033, your Required Beginning Date is April 1 following the calendar year in which you attain age 73. 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.

- c) 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".

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:

- a) due to your death,
- b) due to your disability,
- c) to pay certain medical expenses which exceed 10% of your MAGI,
- d) to pay medical insurance premiums during a period of your unemployment,
- e) to pay certain qualified higher education expenses,
- f) to pay certain qualified expenses related to a first-time home purchase,
- g) in a series of substantially equal periodic payments over your life expectancy or the life expectancy of you and your designated beneficiary,*
- h) as an exempt withdrawal of an excess contribution,
- i) for payment to your former spouse or other payee under a qualified domestic relations order, such as divorce or legal separation
- j) 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, or,
- k) effective for distributions made after December 31, 2019, during the

* 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 does not apply to the portion of your traditional IRA distribution which is not included in your gross income.

one-year period beginning on the birth of your child or your adoption of an individual who (i) is not your child and (ii) who has not attained age 18 or who is physically or mentally incapable of self-support. A maximum of \$5,000 may be excluded from the 10% penalty tax with respect to any birth or adoption. At any time after you receive a qualified birth or adoption distribution, you may recontribute the amount of that distribution to any eligible retirement plan. Any such recontribution will be treated as a tax-free rollover.

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. If you attain age 70½ on or after January 1, 2020, your Required Beginning Date is April 1 following the calendar year in which you attain age 72. Beginning in 2023, if you attain age 72 after December 31, 2022, and age 73 before January 1, 2033, your Required Beginning Date is April 1 following the calendar year in which you attain age 73. The minimum amount that is required to be distributed to you (or to your beneficiaries following your death) 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-B 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 as set forth 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 or change your beneficiaries when you open your traditional IRA or at any time by notice in a form and manner acceptable to the Custodian, received by the Custodian prior to your death. 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:

If your death occurs before January 1, 2020:

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 or your remaining life expectancy at death, which is longer (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 your death occurs 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 generally beginning as late as December 31 of the year following the year of your death or December 31 of 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. Pursuant to the CARES Act, the five-year period is determined without regard to 2020.

Generally, if your original designated beneficiary dies after you, your entire account must be distributed by December 31 of the year containing the tenth anniversary of your designated beneficiary's death.

If your death occurs after December 31, 2019:

1. If your designated beneficiary is your spouse, distributions must be made over your spouse's recalculated life expectancy or, if your death occurs on or after your Required Beginning Date, over your remaining life expectancy at death, if longer. Distributions must begin by December 31 of the year after your death or, if you died prior to age 72, December 31 of the year you would have attained age 72, age 73, if you attain age 72 after December 31, 2022, and age 73 before January 1, 2033, whichever is later. Alternatively, your spouse may elect to treat the account as his or her own.
2. If your designated beneficiary is not your spouse, but is an individual who is (i) your child who has not attained the age of majority (a minor child), (ii) disabled, (iii) chronically ill, or (iv) not more than ten years younger than you, distributions must be made over your beneficiary's non-recalculated life expectancy or, if your death occurs after your Required Beginning Date, your life expectancy, if longer.
3. In the case of any other individual designated beneficiary, your entire account must be distributed by December 31 of the year containing the tenth anniversary of your death.
4. If you do not have an individual designated beneficiary, distributions must be made to your beneficiary over your remaining life expectancy at death or, if your death occurs prior to your Required Beginning Date, your entire account must be distributed to your beneficiary by December 31 of the year containing the fifth anniversary of your death.

In addition, (A) in the case of a beneficiary who is your minor child, your entire account must be distributed by December 31 of the year containing the tenth anniversary of the date that your minor child attains the age of majority, and (B) if your beneficiary dies after you, your entire account must be distributed by December 31 of the year containing the tenth anniversary of your beneficiary's 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.

D. Coronavirus-Related Distributions

In accordance with the CARES Act, you may take one or more penalty-free distributions from your eligible employer's retirement plans and your IRA, not to exceed \$100,000 in the aggregate, between January 1, 2020 and December 31, 2020 if you are an individual (i) who has been diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 ("COVID-19") by a test approved by the Centers for Disease Control and Prevention, (ii) whose spouse or dependent (as defined in Section 152 of the Code) has been diagnosed with such virus or disease by a test approved by the Centers for Disease Control and Prevention or (iii) who has experienced adverse financial consequences as a result of (1) being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, (2) being unable to work due to lack of child care due to such virus or disease, (3) closing or reducing hours of a business owned or operated by the Participant due to such virus or disease, or (4) other factors as determined under applicable regulatory guidance (each distribution, a Coronavirus-Related Distribution). If you receive a Coronavirus-Related Distribution, you may make one or more contributions to an eligible employer's retirement plan or your IRA in an aggregate amount not to exceed the amount of such Coronavirus-Related Distribution during the three-year period commencing on the day after the date such Coronavirus- Related Distribution is received. A Coronavirus-Related Distribution is not subject to the 10% penalty tax otherwise applicable to distribution prior to age 59 ½, and, to the extent taxable, may generally be included in income ratably over the three-year period beginning on the day after the date the distribution was received. Any repayment of a Coronavirus-Related Distribution from an IRA will not count against the one-rollover per-year limit otherwise applicable to IRAs.

E. Recontribution of Returned IRS Levy Amounts

If an amount is distributed from your IRA pursuant to an Internal Revenue Service levy and the Internal Revenue Service returns the levy to you, you may recontribute the amount returned by the Internal Revenue Service (plus any interest returned to you) to the IRA. The contribution must be made no later than the due date (not including extensions) for your federal income tax return for the year the levied amount was returned to you. To the extent recontributed, any taxes paid on the distribution are refundable (unless the distribution was made from a non-Roth account and recontributed to a Roth account, which would effectively be treated as taxable Roth conversion).

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. 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.

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."

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 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. Amendments

USAA Federal Savings Bank 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.

B. Custodian's Fees

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

C. The Custodian

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

D. 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 \$25 or more (not to exceed the annual maximum limit for IRA contributions) to a variable-rate IRA CD or an IRA Money Market Savings account. Deposits can be made from an existing verified account at financial institutions with electronic transfer capabilities. Your automatic deposits may be set up on a monthly basis, on either the 1st or 15th of the month in accordance with procedures established by the Custodian from time to time.

Automatic deposits to an IRA are credited to the tax year of the same calendar year in which they are received.

B. FDIC Insurance

The FDIC (Federal Deposit Insurance Corporation) insures your USAA Federal Savings Bank IRA 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 seven years.

The table below shows how an annual deposit of \$1,000 will grow based on 2.50% 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.

Value of a Recurring \$1,000 USAA Federal Savings Bank Traditional IRA Deposit at Withdrawal						
Age You Start IRA	At End of Age 60		At End of Age 65		At End of Age 70	
	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty
18	\$78,116	\$981	\$93,898	\$1,179	\$111,779	\$1,403
19	75,190	944	90,582	1,137	108,022	1,356
20	72,335	908	87,348	1,097	104,358	1,310
21	69,551	873	84,194	1,057	100,784	1,265
22	66,836	839	81,117	1,018	97,298	1,222
23	64,187	806	78,116	981	93,898	1,179
24	61,604	773	75,190	944	90,582	1,137
25	59,084	742	72,335	908	87,348	1,097
26	56,627	711	69,551	873	84,194	1,057
27	54,230	681	66,836	839	81,117	1,018
28	51,893	651	64,187	806	78,116	981
29	49,613	623	61,604	773	75,190	944
30	47,389	595	59,084	742	72,335	908
31	45,220	568	56,627	711	69,551	873
32	43,105	541	54,230	681	66,836	839
33	41,042	515	51,893	651	64,187	806
34	39,030	490	49,613	623	61,604	773
35	37,067	465	47,389	595	59,084	742
36	35,153	441	45,220	568	56,627	711
37	33,286	418	43,105	541	54,230	681
38	31,465	395	41,042	515	51,893	651
39	29,689	373	39,030	490	49,613	623
40	27,956	351	37,067	465	47,389	595
41	26,267	330	35,153	441	45,220	568
42	24,619	309	33,286	418	43,105	541
43	23,012	289	31,465	395	41,042	515
44	21,444	269	29,689	373	39,030	490

Value of a Recurring \$1,000 USAA Federal Savings Bank Traditional IRA Deposit at Withdrawal						
Age You Start IRA	At End of Age 60		At End of Age 65		At End of Age 70	
	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty
45	\$19,915	\$250	\$27,956	\$351	\$37,067	\$465
46	18,424	231	26,267	330	35,153	441
47	16,970	213	24,619	309	33,286	418
48	15,551	195	23,012	289	31,465	395
49	14,168	178	21,444	269	29,689	373
50	12,818	161	19,915	250	27,956	351
51	11,502	144	18,424	231	26,267	330
52	10,218	128	16,970	213	24,619	309
53	8,966	113	15,551	195	23,012	289
54	7,745	97	14,168	178	21,444	269
55	6,554	82	12,818	161	19,915	250
56	5,392	68	11,502	144	18,424	231
57	4,259	53	10,218	128	16,970	213
58	3,154	40	8,966	113	15,551	195
59	2,077	26	7,745	97	14,168	178
60	1,025	13	6,554	82	12,818	161
61			5,392	68	11,502	144
62			4,259	53	10,218	128
63			3,154	40	8,966	113
64			2,077	26	7,745	97
65			1,025	13	6,554	82
66					5,392	68
67					4,259	53
68					3,154	40
69					2,077	26
70					1,025	13

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	\$1,025	\$13
2	2,077	26
3	3,154	40
4	4,259	53
5	5,392	68

The table below shows how a single deposit of \$1,000 will grow based on 2.50% interest compounded monthly. These projections assume that the deposit is made on the first day of the year.

Value of a Single \$1,000 USAA Federal Savings Bank Traditional IRA Deposit at Withdrawal						
Age You Start IRA	At End of Age 60		At End of Age 65		At End of Age 70	
	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty
18	\$2,927	\$37	\$3,316	\$42	\$3,757	\$47
19	2,855	36	3,234	41	3,664	46
20	2,784	35	3,154	40	3,574	45
21	2,715	34	3,077	39	3,486	44
22	2,648	33	3,001	38	3,400	43
23	2,583	32	2,927	37	3,316	42
24	2,519	32	2,855	36	3,234	41
25	2,457	31	2,784	35	3,154	40
26	2,397	30	2,715	34	3,077	39
27	2,338	29	2,648	33	3,001	38
28	2,280	29	2,583	32	2,927	37
29	2,224	28	2,519	32	2,855	36
30	2,169	27	2,457	31	2,784	35
31	2,115	27	2,397	30	2,715	34
32	2,063	26	2,338	29	2,648	33
33	2,012	25	2,280	29	2,583	32
34	1,963	25	2,224	28	2,519	32
35	1,914	24	2,169	27	2,457	31
36	1,867	23	2,115	27	2,397	30
37	1,821	23	2,063	26	2,338	29
38	1,776	22	2,012	25	2,280	29
39	1,732	22	1,963	25	2,224	28
40	1,690	21	1,914	24	2,169	27
41	1,648	21	1,867	23	2,115	27
42	1,607	20	1,821	23	2,063	26
43	1,568	20	1,776	22	2,012	25
44	1,529	19	1,732	22	1,963	25

Value of a Single \$1,000 USAA Federal Savings Bank Traditional IRA Deposit at Withdrawal						
Age You Start IRA	At End of Age 60		At End of Age 65		At End of Age 70	
	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty
45	\$1,491	\$19	\$1,690	\$21	\$1,914	\$24
46	1,454	18	1,648	21	1,867	23
47	1,419	18	1,607	20	1,821	23
48	1,384	17	1,568	20	1,776	22
49	1,349	17	1,529	19	1,732	22
50	1,316	17	1,491	19	1,690	21
51	1,284	16	1,454	18	1,648	21
52	1,252	16	1,419	18	1,607	20
53	1,221	15	1,384	17	1,568	20
54	1,191	15	1,349	17	1,529	19
55	1,162	15	1,316	17	1,491	19
56	1,133	14	1,284	16	1,454	18
57	1,105	14	1,252	16	1,419	18
58	1,078	14	1,221	15	1,384	17
59	1,051	13	1,191	15	1,349	17
60	1,025	13	1,162	15	1,316	17
61			1,133	14	1,284	16
62			1,105	14	1,252	16
63			1,078	14	1,221	15
64			1,051	13	1,191	15
65			1,025	13	1,162	15
66					1,133	14
67					1,105	14
68					1,078	14
69					1,051	13
70					1,025	13

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.

One-Time Contribution		
Year	Value	180 Day Penalty
1	\$1,025	\$13
2	1,051	13
3	1,078	14
4	1,105	14
5	1,133	14

USAA Federal Savings Bank Traditional IRA Custodial Agreement

For use with: 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 recharacterized contribution described in section 408A(d)(6), the Custodian will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these 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 one¹ 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 one¹ 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 one¹ for each subsequent year.
 - b. If the Depositor dies before the Required Beginning Date, the remaining interest will be distributed in accordance with paragraph (i) below or, if elected or there is no designated beneficiary, in accordance with paragraph (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 paragraph (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 paragraph (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 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). However, only Articles I through VII have been reviewed 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. To make a regular contribution to a traditional IRA for a year, the IRA must be established 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 **Pub. 590-A**, Contributions to Individual Retirement Arrangements (IRAs), and **Pub. 590-B**, Distributions from 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.

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 Federal Savings Bank Roth IRA Disclosure Statement

This Disclosure Statement outlines the basic provisions of a Roth IRA as well as certain features unique to 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 is established after USAA Federal Savings Bank has received and approved your application for a Roth IRA account and you have made an initial deposit to the Roth IRA. A Roth IRA may be revoked at any time within seven days after the date it is established. A Roth IRA that has been established for at least seven days may not be revoked (although it may be terminated), unless you have received an amendment that materially changes the information in this Disclosure and such amendment is effective within the seven-calendar day period following the establishment of the Roth IRA.

USAA Federal Savings Bank
Attention: IRA Sales and Service
10750 McDermott Fwy.
San Antonio, TX 78288-0544
Call 800-531-8722 (USAA) (TTY:711/TRS)

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 Federal Savings Bank 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. We may, however, be required by court order or other legal process to pay all or part of your IRA to a judgment creditor.

The amount so paid will be treated as distributed to you in the year paid. Like any other distribution, all or part of the amount paid may be included in your gross income and a 10% penalty tax may be applicable to the taxable portion of the payment if you are not age 59½ or older when it is paid. 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.

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.

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 Section 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 \$6,000 for the 2020 and 2021 tax years. After 2021, the \$6,000 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. Effective for tax years beginning after December 31, 2019, taxable compensation includes any amount that is included in your gross income and paid to you to aid you in the pursuit of graduate or postdoctoral study.

However, if you are single or you are married, file a separate return and do not live with your spouse at any time during the year, the maximum annual contribution will be reduced if your MAGI is equal to or exceeds \$124,000 (for 2020) or \$125,000 (for 2021) and will be eliminated if your MAGI is equal to or exceeds \$139,000 (for 2020) or \$140,000 (for 2021). 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 \$196,000 (for 2020) or \$198,000 (for 2021) and will be eliminated if your combined MAGI is equal to or exceeds \$206,000 (for 2020) or \$208,000 (for 2021). All of the foregoing figures are indexed to the cost-of-living after 2021. 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, \$196,000 (for 2020) or \$198,000 (for 2021) for married taxpayers filing joint returns, \$124,000 (for 2020) or \$125,000 (for 2021) for single taxpayers and 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 \$124,000 and \$139,000 (for 2020) or \$125,000 and \$140,000 (for 2021) 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 \$196,000 and \$206,000 (for 2020) or \$198,000 and \$208,000 (for 2021) 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, \$124,000 (for 2020) or \$125,000 (for 2021) for single taxpayers and married taxpayers who file separate returns and did not live together during the year, \$196,000 (for 2020) or \$198,000 (for 2021) 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 are single (or are married, file separately, and don't live with your spouse during the year):

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

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 \$131,000 for 2020. You would calculate your Roth IRA contribution limit for 2020 as follows: The Excess MAGI is \$131,000 – \$124,000 = \$7,000 Your Roth IRA contribution limit is:

$$\frac{\$15,000 - \$7,000}{\$15,000} \times \$6,000 = \$3,200$$

Example 2: If you are married and file a joint tax return, and you and your spouse each individually earn more than \$7,000, will attain age 50 by December 31, 2020, and, for 2020, have combined MAGI of \$201,120, each of you may contribute to a Roth IRA and calculate your contribution limits to each Roth IRA for 2020 as follows: The Excess MAGI is \$201,120 – \$196,000 = \$5,120 Your Roth IRA contribution limit is:

$$\frac{\$10,000 - \$5,120}{\$10,000} \times \$7,000 = \$3,416 \text{ (rounded to } \$3,420\text{)}$$

Example 3: If, in Example 2, your spouse did not earn any compensation, your spouse could establish and contribute \$3,420 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 2020 tax year and under age 50 by December 31, 2020. You have \$1,400 of compensation for 2020 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:

$$\frac{\$10,000 - \$1,400}{\$10,000} \times \$6,000 = \$5,160$$

Although your Roth IRA contribution limit in this example is \$5,160, you may not contribute an amount in excess of your compensation of \$1,400.

* Excess MAGI means MAGI above the specified level.

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 2020 and 2021 as follows:

Modified Adjusted Gross Income 2020			
Joint Filers	Heads of Household	All Other Filers	Credit Rate
\$0 - \$39,000	\$0 - \$29,250	\$0 - \$19,500	50%
\$39,001 - \$42,500	\$29,251 - \$31,875	\$19,501 - \$21,250	20%
\$42,501 - \$65,000	\$31,876 - \$48,750	\$21,251 - \$32,500	10%
Over \$65,000	Over \$48,750	Over \$32,500	0%

All figures shown in the table above are for 2020. These figures are indexed to the cost-of-living after 2020.

Modified Adjusted Gross Income 2021			
Joint Filers	Heads of Household	All Other Filers	Credit Rate
\$0 - \$39,500	\$0 - \$29,625	\$0 - \$19,750	50%
\$39,501 - \$43,000	\$29,626 - \$32,250	\$19,751 - \$21,500	20%
\$43,001 - \$66,000	\$32,250 - \$49,500	\$21,501 - \$33,000	10%
Over \$66,000	Over \$49,500	Over \$33,000	0%

All figures shown in the table above are for 2021. These figures are indexed to the cost-of-living after 2021.

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 6A.

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. 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.

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 to a Roth IRA. You may direct the plan to make a direct rollover either by transferring the assets directly to the Roth IRA custodian, or by making the distribution check payable to the Roth IRA custodian. If you choose to receive a distribution directly from a tax-qualified plan, you may still roll over the distribution as long as you do so within 60 days of the date you receive the distribution.

A plan loan offset is the amount your employer plan account balance is reduced, or offset, to repay a loan from the plan. How long you have to complete the rollover of a plan loan offset depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until the due date (including extensions) for your tax return for the tax year in which the offset occurs to

complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason, then you have 60 days from the date the offset occurs to complete your rollover.

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 your Required Beginning Date, (c) certain corrective distributions, and (d) a hardship distribution. If you attain age 70½ on or after January 1, 2020, your Required Beginning Date is April 1 following the calendar year in which you attain age 72. Beginning in 2023, if you attain age 72 after December 31, 2022, and age 73 before January 1, 2033, your Required Beginning Date is April 1 following the calendar year in which you attain age 73.

However, a rollover of an eligible rollover distribution to a Roth IRA is not a tax-free transaction. You must include in gross income any amount which would be includible were it not part of a rollover contribution. Consult your tax adviser on tax implications regarding Roth IRA rollovers.

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. A conversion of a traditional IRA to a Roth IRA, and a rollover from any other eligible retirement plan to a Roth IRA, made on or after January 1, 2018 is not eligible to be recharacterized.

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.

Beginning with the 2020 tax year, the amount of distributions that may be excluded from your gross income as a qualified charitable distribution for any tax year is reduced by the difference between the total amount of your deductible traditional IRA contributions for all tax years ending on or after the date you attained age 70½ and the aggregate amount of all qualified charitable contributions excluded from your income for all prior tax years.

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. A partial withdrawal of less than the entire balance, but more than the required minimum account balance.

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 IRS 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 10% 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.

* 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 does not apply to the portion of your Roth IRA distribution which is not included in your gross income.

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 or change your beneficiaries when you open your Roth IRA or at any time by notice in a form and manner acceptable to the Custodian, received by the Custodian prior to your death. 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:

If your death occurs before January 1, 2020:

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; if you had not attained age 70½ by the date of your death, commencement of annual required minimum distributions may generally be postponed

to as late as December 31 of the year following the year of your death or December 31 of the year in which you would have attained age 70½, whichever is later (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. Pursuant to the CARES Act, the five-year period is determined without regard to 2020.

Generally, if your original designated beneficiary dies after you, your entire account must be distributed by December 31st of the year containing the tenth anniversary of your designated beneficiary's death.

If your death occurs after December 31, 2019:

1. If your designated beneficiary is your spouse, distributions must be made over your spouse's recalculated life expectancy or, if your death occurs on or after your Required Beginning Date, over your remaining life expectancy at death, if longer. Distributions must begin by December 31 of the year after your death or, if you died prior to age 72, December 31 of the year you would have attained age 72, or age 73, if you attain age 72 after December 31, 2022, and age 73 before January 1, 2033, whichever is later. Alternatively, your spouse may elect to treat the account as his or her own.
2. If your designated beneficiary is not your spouse, but is an individual who is (i) your child who has not attained the age of majority (a minor child), (ii) disabled, (iii) chronically ill, or (iv) not more than ten years younger than you, distributions must be made over your beneficiary's non-recalculated life expectancy or, if your death occurs after your Required Beginning Date, your life expectancy, if longer.
3. In the case of any other individual designated beneficiary, your entire account must be distributed by December 31 of the year containing the tenth anniversary of your death.
4. If you do not have an individual designated beneficiary, distributions must be made to your beneficiary over your remaining life expectancy at death or, if your death occurs prior to your Required Beginning Date, your entire account must be distributed to your beneficiary by December 31 of the year containing the fifth anniversary of your death.

In addition, (A) in the case of a beneficiary who is your minor child, your entire account must be distributed by December 31 of the containing the tenth anniversary of the date that your minor child attains the age of majority, and (B) if your beneficiary dies after you, your entire account must be distributed by December 31 of the year containing the tenth anniversary of your beneficiary's death.

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, except that the 10% 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%.

F. Coronavirus-Related Distribution

In accordance with the CARES Act, you may take one or more penalty-free distributions from your eligible employer's retirement plans and your IRA, not to exceed \$100,000 in the aggregate, between January 1, 2020 and December 31, 2020 if you are an individual (i) who has been diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 ("COVID-19") by a test approved by the Centers for Disease Control and Prevention, (ii) whose spouse or dependent (as defined in Section 152 of the Code) has been diagnosed with such virus or disease by a test approved by the Centers for Disease Control and Prevention or (iii) who has experienced adverse financial consequences as a result of (1) being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, (2) being unable to work due to lack of child care due to such virus or disease, (3) closing or reducing hours of a business owned or operated by the Participant due to such virus or disease, or (4) other factors as determined under applicable regulatory guidance (each distribution, a Coronavirus-Related Distribution). If you receive a Coronavirus-Related Distribution, you may make one or more contributions to an eligible employer's retirement plan or your IRA in an aggregate amount not to exceed the amount of such Coronavirus-Related Distribution during the three-year period commencing on the day after the date such Coronavirus-Related Distribution is received. A Coronavirus-Related Distribution is not subject to the 10% penalty tax otherwise applicable to distribution prior to age 59 ½, and, to the extent taxable, may generally be included in income ratably over the three-year period beginning on the day after the date the distribution was received. Any repayment of a Coronavirus-Related Distribution from an IRA will not count against the one-rollover per-year limit otherwise applicable to IRAs.

G. Recontribution of Returned IRS Levy Amounts

If an amount is distributed from your IRA pursuant to an Internal Revenue Service levy and the Internal Revenue Service returns the levy to you, you may recontribute the amount returned by the Internal Revenue Service (plus any interest returned to you) to the IRA. The contribution must be made no later than the due date (not including extensions) for your federal income tax return for the year the levied amount was returned to you. To the extent recontributed, any taxes paid on the distribution are refundable (unless the distribution was made from a non-Roth account and recontributed to a Roth account, which would effectively be treated as taxable Roth conversion).

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, if you have converted funds from a traditional IRA to a Roth IRA or if you have recharacterized any IRA conversion (prior to January 1, 2018) 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.”

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. Amendments

USAA Federal Savings Bank 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.

B. Custodian's Fees

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

C. The Custodian

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

D. Internal Revenue Service

You may obtain further information regarding a Roth 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)).

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 \$25 or more (not to exceed the annual maximum limit for IRA contributions) to a variable-rate IRA CD or an IRA Money

Market Savings account. Deposits can be made from an existing verified account at financial institutions with electronic transfer capabilities.

Your automatic deposits may be set up on a monthly basis, on either the 1st or 15th of the month, in accordance with procedures established by the Custodian from time to time. Automatic deposits to an IRA are credited to the tax year of the same calendar year in which they are received.

B. FDIC Insurance

The Federal Deposit Insurance Corporation, also known as FDIC, insures your USAA Federal Savings Bank IRA 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 seven years.

The table below shows how an annual deposit of \$1,000 will grow based on 2.50% 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.

Value of a Recurring \$1,000 USAA Federal Savings Bank Roth IRA Deposit at Withdrawal						
Age You Start IRA	At End of Age 60		At End of Age 65		At End of Age 70	
	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty
18	\$78,116	\$981	\$93,898	\$1,179	\$111,779	\$1,403
19	75,190	944	90,582	1,137	108,022	1,356
20	72,335	908	87,348	1,097	104,358	1,310
21	69,551	873	84,194	1,057	100,784	1,265
22	66,836	839	81,117	1,018	97,298	1,222
23	64,187	806	78,116	981	93,898	1,179
24	61,604	773	75,190	944	90,582	1,137
25	59,084	742	72,335	908	87,348	1,097
26	56,627	711	69,551	873	84,194	1,057
27	54,230	681	66,836	839	81,117	1,018
28	51,893	651	64,187	806	78,116	981
29	49,613	623	61,604	773	75,190	944
30	47,389	595	59,084	742	72,335	908
31	45,220	568	56,627	711	69,551	873
32	43,105	541	54,230	681	66,836	839
33	41,042	515	51,893	651	64,187	806
34	39,030	490	49,613	623	61,604	773
35	37,067	465	47,389	595	59,084	742
36	35,153	441	45,220	568	56,627	711
37	33,286	418	43,105	541	54,230	681
38	31,465	395	41,042	515	51,893	651
39	29,689	373	39,030	490	49,613	623
40	27,956	351	37,067	465	47,389	595
41	26,267	330	35,153	441	45,220	568
42	24,619	309	33,286	418	43,105	541

Value of a Recurring \$1,000 USAA Federal Savings Bank Roth IRA Deposit at Withdrawal						
Age You Start IRA	At End of Age 60		At End of Age 65		At End of Age 70	
	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty
43	\$23,012	\$289	\$31,465	\$395	\$41,042	\$515
44	21,444	269	29,689	373	39,030	490
45	19,915	250	27,956	351	37,067	465
46	18,424	231	26,267	330	35,153	441
47	16,970	213	24,619	309	33,286	418
48	15,551	195	23,012	289	31,465	395
49	14,168	178	21,444	269	29,689	373
50	12,818	161	19,915	250	27,956	351
51	11,502	144	18,424	231	26,267	330
52	10,218	128	16,970	213	24,619	309
53	8,966	113	15,551	195	23,012	289
54	7,745	97	14,168	178	21,444	269
55	6,554	82	12,818	161	19,915	250
56	5,392	68	11,502	144	18,424	231
57	4,259	53	10,218	128	16,970	213
58	3,154	40	8,966	113	15,551	195
59	2,077	26	7,745	97	14,168	178
60	1,025	13	6,554	82	12,818	161
61			5,392	68	11,502	144
62			4,259	53	10,218	128
63			3,154	40	8,966	113
64			2,077	26	7,745	97
65			1,025	13	6,554	82
66					5,392	68
67					4,259	53
68					3,154	40
69					2,077	26
70					1,025	13

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	\$1,025	\$13
2	2,077	26
3	3,154	40
4	4,259	53
5	5,392	68

The table below shows how a single deposit of \$1,000 will grow based on 2.50% interest compounded monthly. These projections assume that the deposit is made on the first day of the year.

Value of a Single \$1,000 USAA Federal Savings Bank Roth IRA Deposit at Withdrawal						
Age You Start IRA	At End of Age 60		At End of Age 65		At End of Age 70	
	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty
18	\$2,927	\$37	\$3,316	\$42	\$3,757	\$47
19	2,855	36	3,234	41	3,664	46
20	2,784	35	3,154	40	3,574	45
21	2,715	34	3,077	39	3,486	44
22	2,648	33	3,001	38	3,400	43
23	2,583	32	2,927	37	3,316	42
24	2,519	32	2,855	36	3,234	41
25	2,457	31	2,784	35	3,154	40
26	2,397	30	2,715	34	3,077	39
27	2,338	29	2,648	33	3,001	38
28	2,280	29	2,583	32	2,927	37
29	2,224	28	2,519	32	2,855	36
30	2,169	27	2,457	31	2,784	35
31	2,115	27	2,397	30	2,715	34
32	2,063	26	2,338	29	2,648	33
33	2,012	25	2,280	29	2,583	32
34	1,963	25	2,224	28	2,519	32
35	1,914	24	2,169	27	2,457	31
36	1,867	23	2,115	27	2,397	30
37	1,821	23	2,063	26	2,338	29
38	1,776	22	2,012	25	2,280	29
39	1,732	22	1,963	25	2,224	28
40	1,690	21	1,914	24	2,169	27
41	1,648	21	1,867	23	2,115	27
42	1,607	20	1,821	23	2,063	26

Value of a Single \$1,000 USAA Federal Savings Bank Roth IRA Deposit at Withdrawal						
Age You Start IRA	At End of Age 60		At End of Age 65		At End of Age 70	
	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty	IRA Value	180 Day Penalty
43	\$1,568	20	\$1,776	22	\$2,012	\$25
44	1,529	19	1,732	22	1,963	25
45	1,491	19	1,690	21	1,914	24
46	1,454	18	1,648	21	1,867	23
47	1,419	18	1,607	20	1,821	23
48	1,384	17	1,568	20	1,776	22
49	1,349	17	1,529	19	1,732	22
50	1,316	17	1,491	19	1,690	21
51	1,284	16	1,454	18	1,648	21
52	1,252	16	1,419	18	1,607	20
53	1,221	15	1,384	17	1,568	20
54	1,191	15	1,349	17	1,529	19
55	1,162	15	1,316	17	1,491	19
56	1,133	14	1,284	16	1,454	18
57	1,105	14	1,252	16	1,419	18
58	1,078	14	1,221	15	1,384	17
59	1,051	13	1,191	15	1,349	17
60	1,025	13	1,162	15	1,316	17
61			1,133	14	1,284	16
62			1,105	14	1,252	16
63			1,078	14	1,221	15
64			1,051	13	1,191	15
65			1,025	13	1,162	15
66					1,133	14
67					1,105	14
68					1,078	14
69					1,051	13
70					1,025	13

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.

One-Time Contribution		
Year	Value	180 Day Penalty
1	\$1,025	\$13
2	1,051	13
3	1,078	14
4	1,105	14
5	1,133	14

USAA Federal Savings Bank Roth IRA Custodial Agreement

For use with: 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 qualified rollover contribution described in section 408A(e) or a recharacterized contribution described in section 408A(d)(6), the Custodian will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these 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 Depositor who is single or treated as single, the annual contribution is phased out between adjusted gross income (AGI) of \$118,000 and \$133,000; for a married Depositor filing jointly, between AGI of \$186,000 and \$196,000; and for a married Depositor filing separately, between AGI of \$0 and \$10,000. These phase-out ranges are for 2017. For years after 2017, the phase-out ranges, except for the \$0 to \$10,000 range, will be increased to reflect a cost-of-living adjustment, if any. Adjusted gross income is defined in section 408A(c)(3).
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 the following paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with the following paragraph (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 one 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. However, only Articles I through VIII have been reviewed 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-A**, Contributions to Individual Retirement Arrangements (IRAs) and **Pub. 590-B**, Distributions from 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.

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.

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 Federal Savings Bank 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 the Custodian receives them.

b) The Custodian shall have the right to receive rollover contributions and conversions as described in the Code. 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 IRA Application 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 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, 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.

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 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 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.
 - d) The Custodian shall be under no duty to request instructions with respect to investment of assets in any account.
 - e) If the value of the custodial account falls below the minimum level which the Custodian may from time to time establish for USAA traditional IRAs or Roth IRAs, the Custodian may liquidate the custodial account and distribute the proceeds to the Depositor (or the beneficiary following the death of the Depositor).
7. 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 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, 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.

8. 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 8(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 8(a) shall apply as though the Initial Beneficiary were the Depositor, and the references in subsection 8(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.
- 9. 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 11 of these additional terms and conditions, to a successor individual retirement plan for the Depositor's benefit.
- 10. The Depositor hereby delegates to USAA Federal Savings Bank 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 Federal Savings Bank 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.
- 11. 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.

12. 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.
13. The Custodian will not purchase an annuity contract on behalf of the Depositor.
14. 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 Federal Savings Bank, 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.
15. This Agreement shall terminate upon the complete distribution of the assets of the custodial account.
16. 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 to:
USAA Federal Savings Bank
Attention: IRA Sales and Service
10750 McDermott Fwy.
San Antonio, TX 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 Federal Savings Bank 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.

17. 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.
18. 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.
19. 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. The Custodian shall withhold federal income tax from any distribution from the custodial account as required under the Code.
 - a) 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 and its affiliates 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.
20. 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 and its affiliates, 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.
21. 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.
22. 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.
23. 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.
24. This Agreement, which incorporates the IRA Application 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.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

USAA Federal Savings Bank
10750 McDermott Freeway
San Antonio, TX 78288-0544
800-531-USAA (8722)
(TTY:711/TRS)
usaa.com

Deposit products and services offered by USAA Federal Savings Bank, Member FDIC.



134671-1024



Depository Agreement & Disclosures

USAA Federal Savings Bank

Effective July 1, 2025

Table of Contents

Introduction

- 3 Welcome to USAA Federal Savings Bank

General Account Terms

- 3 Definitions
- 3 Depository Agreement and Disclosures
- 3 Acceptance of Terms and Conditions
- 3 Changes to the Agreement
- 3 Applicable Law

Opening a Deposit Account

- 3 Identification
- 4 Information Requests
- 4 Consumer Reporting Agency Information
- 4 Release of Confidential Information
- 4 Forms of Ownership
- 5 Transfer of Ownership
- 5 Authorized Signers
- 5 Power of Attorney

Using Your Account

- 6 Purpose of Account
- 6 Your Membership Number
- 6 Fees and Charges
- 6 Interest on Your Checking and Savings Account
- 6 Statements and Notices
- 6 Check Copies
- 7 Reporting Problems With Your Account
- 7 Available Balance
- 8 Debit Card Authorization Holds
- 8 Posting Order
- 9 Overdraft Policy
- 11 Overdraft Fee Refund Window
- 12 Overdraft Protection
- 13 Stop Payment of Checks
- 14 Certificate of Deposit (CD) Accounts
- 16 Change of Contact Information
- 16 Closing an Account

Funds Availability Policy

- 17 Your Ability To Withdraw Funds
- 17 Determining When a Deposit is Received
- 18 Next Day Availability
- 18 Longer Delays May Apply
- 18 Special Rules for New Accounts
- 18 Cash Withdrawal Limitation
- 18 Holds on Other Funds
- 19 Accelerated Availability
- 19 Deposited Checks Returned Unpaid
- 19 Reservation of Rights

Deposits Into Your Account

- 19 Making Deposits
- 19 Accepting Deposits
- 20 Deposit Adjustments and Errors
- 20 ACH Transfers
- 20 Foreign Checks and Other Collection Items
- 20 Returns of Deposited Items

Withdrawals From Your Account

- 21 Account Number on Transfer Instructions
- 21 Paying Checks and Other Items
- 21 Restrictions on Account Transactions
- 21 Unpaid Items
- 21 Checks and Signatures
- 22 Large Cash Withdrawals
- 22 Notice of Withdrawal

Domestic and International Wires

- 23 General Provisions for Wire Transfers
- 24 International Remittance Transfers

Electronic Banking Services

- 24 Types of EFT Services
- 26 Access Devices
- 27 Records of Your Transactions
- 27 Your Liability for Unauthorized Transfers
- 27 Stop Payment of Preauthorized Payments
- 28 FSB Liability for Failure to Make Transfers
- 28 Error Resolution Procedure
- 29 ATM and Debit Card Tips

Other Terms and Conditions

- 29 Circumstances Beyond Our Control
- 29 Conflicting Claims About Your Account
- 30 Death or Incompetence
- 30 Inactive and Abandoned Accounts
- 30 Indemnification and Limitation of Liability
- 30 Legal Process
- 30 Setoff and Security Interest
- 31 FDIC Recordkeeping for Accounts with Beneficial Owners
- 31 Prohibited Transactions
- 31 Sub-Accounts
- 31 Section Headings
- 31 Phone Calls / Electronic Communications
- 31 Waiver and Severability

Arbitration and Waiver of Class Action

- 31 What is arbitration?
- 31 Which claims or disputes are subject to arbitration?
- 32 Is there an alternative to arbitration?
- 32 Who administers the arbitration?
- 32 How does arbitration start?
- 32 Who pays the Administrator's fees?
- 32 Where will the arbitration take place?
- 32 How does the arbitration work?
- 33 Can a decision by the arbitrator be appealed?
- 33 What is the waiver of class action?
- 33 Military Lending Act
- 33 Right to Resort to Provisional Remedies Preserved
- 33 Severability and Survival of Terms

Glossary

Introduction

Welcome to USAA Federal Savings Bank

Thank you for opening your deposit account with USAA Federal Savings Bank. We look forward to serving you. Please review this Agreement for important information about your deposit account. If you have any questions, please visit the USAA Mobile App, or call us at 210-531-8722 (USAA), 800-531-8722, (TTY:711/TRS) or #8722 on a mobile device.

As a consumer, you have access to protections under federal and state consumer protection laws. Nothing in the Agreement should be construed as a waiver of any consumer protection right you may have under the Electronic Fund Transfer Act, the Truth in Savings Act, the Servicemembers Civil Relief Act, or any other applicable federal or state consumer protection law.

This Agreement includes an *Arbitration and Waiver of Class Action* section. This section contains important information about how a dispute will be resolved between you and us, if one occurs. This section may limit your rights to go to court, have a jury trial or initiate or participate in a class action. Please read this section carefully.

General Account Terms

Definitions

Throughout this Agreement, the words “you,” “your,” and “yours” mean each and every account owner and Authorized Signer of an account. “FSB,” “us,” “our,” and “we” mean USAA Federal Savings Bank. For additional definitions of terms used in this Agreement, please see the *Glossary* section. Capitalized terms used in this Agreement are generally defined terms. You can find their definitions in the *Glossary* section or where they are referenced within the Agreement.

Depository Agreement and Disclosures

This *Depository Agreement and Disclosures*, the *Account and Service Fee Schedule*, signature card and other account opening documents for your account are part of the binding contract between you and us (the “Agreement”) for your deposit account relationship with us.

Acceptance of Terms and Conditions

By signing (in writing or electronically) the account opening documents, opening an account and receiving this Agreement, or keeping an account open, you understand and agree to the terms and conditions contained in the Agreement, including the *Arbitration and Waiver of Class Action* section, and any amendments. Our deposit relationship with you is that of debtor and creditor. This agreement does not create a fiduciary, quasi-fiduciary, or other special relationship between you and us. If you do not agree to the terms and conditions contained in this Agreement, please contact us to close your account.

Changes to the Agreement

We may change, add to, or amend any part of this Agreement at any time. We will generally send advance notice of an adverse change by mailing, e-mailing, or otherwise delivering a notice, a statement message, or an amended Agreement to the last known address for you or by making it available to you online. However, we may also change, add to, or amend the Agreement without prior notice, unless otherwise required by law. If you do not agree with a change or amendment, please contact us to close your account. If you continue to keep an account open, you accept and agree to the change. We recommend that you keep all amendments or other notices together with this Agreement.

Applicable Law

Your account and this Agreement are governed by federal law, and, to the extent not superseded by federal law, by the law of the state of Texas (without regard to its conflict of law provisions). Nothing in this agreement is intended to waive any consumer protection rights you may have under applicable law, including, but not limited to your rights under the Electronic Fund Transfer Act, the Truth in Savings Act, the Servicemembers Civil Relief Act, and any other federal or state consumer protection law.

Opening a Deposit Account

Identification

To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify, and record information that identifies each person who opens an account. When you open an account, we require the following: your legal name, address, date of birth, Taxpayer Identification Number or Social Security Number, and any other information that will allow us to identify you. We may also ask you to verify your identity and any information you provide us by requesting a copy of your driver's license or other identifying

documents. You represent to us that this information about you is correct. We will rely on that information until you notify us of a change in that information. We may verify the information you provide us or contact you for additional information. If we are unable to verify your information to our satisfaction, we will not open your account or we may close your account. Once we open your account, from time to time we may seek to re-verify your identity or ask for additional information or documentation about you or any person associated with your account.

Information Requests

We may request information about you, your account, and your account activity, such as the sources of funds being deposited into your account and how you intend to use your account. If you fail to provide the information we request, we may restrict transactions and your access to various services and features. We may also elect to close your account, and if it is a CD account closed prior to maturity, we may treat account closure as an early withdrawal and may apply the applicable early withdrawal penalty.

Consumer Reporting Agency Information

We may obtain consumer reports and other information about you from time to time as permitted by applicable law. We may report information about you and your account, including negative account activity, to a consumer reporting agency. If you believe that we reported inaccurate or incomplete information to a consumer reporting agency, you have the right to file a dispute with that agency. You may also file a dispute directly with us at: USAA/Consumer Report Dispute, Attn: Form Code #DEPCNSFRD, 9800 Fredericksburg Road, San Antonio, TX 78288-0544.

Release of Confidential Information

We may disclose information to third parties about you and your account or the transfers you perform using your account:

- When necessary for completing transfers or resolving errors involving transfers;
- In order to verify the existence and condition of your account for a third party, such as a consumer reporting agency or merchant;
- In order to comply with subpoenas or other orders from government agencies or courts;
- As permitted in the *USAA Privacy Promise*;
- If you give us your written permission; or
- As otherwise permitted or required by law.

Forms of Ownership

We rely on the account ownership information you provide at the time of account opening. If you later request a change to this information, we must agree to the change. If we agree, the change is not effective until we have had a reasonable period of time to act on the change of information. We may request identifying and other information about new account owners, as provided above in the *Identification* provision.

Joint Tenants with Rights of Survivorship: If two or more persons are named as owners of the account, they will own the account as joint tenants with rights of survivorship. We may limit the number of persons named as owners on a joint account. With this form of account ownership:

- If an account owner dies, the funds in the account vest in and belong to the surviving account owners as the separate property of the surviving account owner(s), including any community property interest in the account.
- We may rely on the instructions of any one or more of the account owners. However, we reserve the right to require the signatures of all account owners at any time.
- Each account owner may withdraw funds, make deposits or otherwise transact on the account without the consent of any other account owner, regardless of each account owner's contributions to the account. The account may be closed by any account owner without the consent of any other account owner.
- For any account where an additional account owner is added to an existing account, the added account owner has the same rights to the account as the original account owner(s), including access to all account and transaction history.
- Notice provided by us to any one account owner is notice to all account owners.

Each account owner is jointly and severally liable to us for: all fees, charges, and other amounts owed to us, including overdrafts, and all costs, losses and liabilities related to this Agreement and the account. Each account owner authorizes us to exercise our right of setoff and to enforce our security interest in the entire account, even though only one of the account owners is the debtor, and irrespective of who contributed funds to the account or caused the debt. We may also pay all or any part of the funds in the account to a court, creditor or governmental agency upon receipt of a Legal Process identifying any one of the account owners.

Uniform Transfers to Minors Act ("UTMA") Account: This is an account opened under the Uniform Transfers to Minors Act for the benefit of a minor. Funds deposited into an UTMA account irrevocably become the property of the minor. As the custodian (or successor custodian) of an UTMA account, you are responsible for complying with all

requirements of applicable UTMA law, including but not limited to:

- Administering the funds in the UTMA account for the benefit of the minor named on the account until the minor reaches the age of termination under applicable UTMA law; and
- Distributing the funds in the UTMA account to the minor when the minor reaches the age of termination; the custodian (not FSB) is responsible for distributing the funds to the minor.

We allow only one custodian and one minor per account. We are entitled to rely only on instructions of the custodian named on the account. We are not responsible for any breach of duty by the custodian in connection with the account. We have no duty to monitor the account or the status of the custodian or minor. Upon the death or incapacity of the custodian, we will rely on the instructions of a successor custodian.

Payable on Death (“POD”) Accounts: With a POD account, an account owner designates the funds in the account to be payable on the account owner’s death (or the death of the last surviving account owner, as applicable) to a surviving designated beneficiary or beneficiaries (“POD payee or payees”), subject to our setoff rights and applicable law. We may limit the number of POD payees an account owner designates for an account. Until the account owner’s death (or the death of last surviving account owner, as applicable) the POD payee or payees have no interest in or any access to the account. We have no obligation to notify any POD payee of the existence of a POD account or the vesting of an interest in such an account. The account owner(s) are solely responsible for complying with applicable law in establishing a POD account.

Other Fiduciary Accounts: If the account is opened for an estate, a formal trust, guardianship or conservatorship, or other similar type of fiduciary account, we reserve the right to require such documentation or authorizations as we may reasonably deem necessary or appropriate. FSB is not a fiduciary. The legal relationship between you and FSB is that of a debtor and creditor. We have no duty to monitor the account or the status of the designated fiduciary(ies) or beneficiary(ies). If more than one person is named as fiduciary on the account, we will act on the signature of any one of them, without regard to the terms of any document governing the fiduciary’s actions.

Transfer of Ownership

You may not transfer, assign or grant a security interest in your account to another party without our written consent. No assignment will be valid or binding on us, and we will not be considered to have knowledge of it, unless and until we consent and note the assignment in our records. However, by noting the assignment, we do not have any responsibility to assure that the assignment is valid. Any permitted assignment of your account is subject to our setoff rights.

Authorized Signers

Unless otherwise required by law, we may act or refuse to act on the instruction or information provided by any Authorized Signer on an account. For example, we may refuse an Authorized Signer’s request to become a joint owner or a beneficiary of an account, add or remove account owners, designate an attorney-in-fact, or close an account. We are not liable if an Authorized Signer misuses its authority. We may provide account information to any Authorized Signer on the account. You are responsible for notifying us if the authority of an Authorized Signer has terminated. No such notice is effective until we have had a reasonable period of time to act on it. Otherwise, we will continue to act on instructions provided by any Authorized Signer.

Power of Attorney

A power of attorney is a legal document a person (“grantor”) signs that authorizes another person to act on the grantor’s behalf as an attorney-in-fact. The attorney-in-fact can transact on the account, including withdrawing all the money in the account.

Unless prohibited by law, the power of attorney form must be acceptable to us in our discretion. We may decide to accept any power of attorney form that we believe you signed and act on instructions we receive from the attorney-in-fact designated on that form. If the attorney-in-fact does not present the original power of attorney form, we reserve the right to ask for the original prior to honoring it.

Unless prohibited by law, we may refuse, with or without cause, to honor powers of attorney that an account owner grants to others. We may, in our discretion, restrict the types or sizes of transactions we permit an attorney-in-fact to conduct. For example, we may refuse an attorney-in-fact’s request to become a joint owner or beneficiary of an account. You agree to reimburse us for all claims, costs, losses, and damages that we incur in accepting and acting on any power of attorney form that we believe you signed. We will not be liable to you or your heirs for any transaction performed by the attorney-in-fact or rejected by us. In some cases, we may require that the attorney-in-fact confirm, in an affidavit, that the power of attorney has not been revoked or terminated, or that you register the power of attorney with the appropriate recording authorities.

When we accept a power of attorney, we may continue to recognize the authority of the attorney-in-fact until we have reason to believe that the authority of the attorney-in-fact has been revoked or when we receive appropriate:

- Notice of revocation (termination);
- Notification of your death; or

- Written notification of your legal incapacity unless, in accordance with applicable law, your power of attorney document provides that the attorney-in-fact's authority continues despite your incapacity.

In all cases, we require a reasonable period of time to act on the notice.

Using Your Account

Purpose of Account

We provide your account for personal, family, or household use only. We may, in our sole discretion, close your account if we suspect it is being used for any other purpose, such as a business purpose. In the event we suspect that your account is involved in unlawful activity, we may block or otherwise prevent or prohibit such transactions or close your account without notice.

Your Membership Number

Your USAA Member Number is NOT your account number. In order to properly process your transactions, you must use your account number.

Fees and Charges

You agree to pay all fees, charges, overdrafts, and other amounts you owe us under this Agreement. See the *Account and Service Fee Schedule* for information on fees. You authorize us to charge your account for fees and other amounts you owe us even if it results in your account being overdrawn. We may exercise our right of setoff to recover any fees and other amounts owed to us; see the *Setoff and Security Interest* provision in the *Other Terms and Conditions* section.

Interest on Your Checking and Savings Account

Interest and APY rates that apply. When you open an interest-bearing checking or savings account, we provide the variable interest rate and annual percentage yield ("APY") that apply to your account. At our discretion, we may change your interest rate or APY at any time without prior notice.

How we calculate interest. We use the daily balance method to calculate interest on your account. This method applies a daily periodic rate to the ledger balance that we determine is in the account each day. Interest is computed on a 365-day year, except in leap years when interest may be computed on a 366-day year.

When interest begins to accrue on non-cash deposits. When you deposit a non-cash item, such as a check, into an interest-bearing checking or savings account, interest begins to accrue on the non-cash item on the Business Day we receive the deposit of that item.

When interest is compounded and credited. We credit and compound interest on a monthly basis. If your account is converted or closed before we credit any accrued interest, you receive the interest accrued through the last full day before the day the account is converted or closed. We reserve the right not to pay interest on any deposited item that is returned unpaid or to deduct interest if we need to reverse a credit to your account. We pay interest only in whole cents. Any fractional amount of interest less than half of one cent will be rounded down to the whole cent and any fractional amount of interest equal to half of one cent or more will be rounded up to the next whole cent.

Statements and Notices

We provide you with an account statement on a monthly basis when there is activity on your account. When there is no activity on your account (other than the posting of interest), we may provide a statement on a quarterly basis. The specific dates covered by your account statement will be on your statement.

We have made the statement or notice available to you when we place it in the mail to your address, even if it is returned as undeliverable, or when the electronic statement or notice is made available online. If one or more statements or notices we send to you are returned as undeliverable, we may destroy those statements or notices and may stop sending statements and notices until you provide a valid address to us. We are not responsible for statements or notices lost while not in our possession. We recommend that you receive account statements and notices electronically.

Regardless of the number of account owners, we may provide only one statement per account. For joint accounts, statements or notices sent or made available to any one account owner is deemed to be sent or made available to all account owners.

Check Copies

We do not return paid checks or copies of paid checks with your statement. You can review and obtain copies of your recent checks through the USAA Mobile App or usaa.com. You can also request that we provide a copy of a check. When a copy is unavailable or of poor quality, we are not liable to you for any claim, cost, loss, or damage of any

kind. Some checks that you write may be converted to electronic debits by the payee, for example, a utility company. In this case, the copy of the check is not sent to us for processing, so we do not have a copy. These are identified as electronic debits on your account statement.

Reporting Problems With Your Account

The requirements in this provision do not apply to electronic fund transfers covered under the *Electronic Banking Services* section of this Agreement. Please see the *Electronic Banking Services* section of this Agreement for information on reporting problems with electronic fund transfers.

You have a responsibility to review your account statement in a timely manner and to notify us promptly of any problems. You are required to:

- Examine your account statement promptly and carefully. Your statement provides the necessary information (item number, dollar amount and the date posted to your account) to enable you to determine if a transaction is unauthorized, forged, altered or otherwise incorrect.
- Notify us promptly if you do not receive a scheduled statement or cannot access your statement on the USAA Mobile App or usaa.com.
- Notify us as soon as possible, but not later than 60 days after we send or otherwise make the statement available to you, if there are unauthorized transactions, discrepancies, or errors on your statement.
- Notify us as soon as possible, but not later than 60 days after we send or otherwise make the statement available to you, if you identify any forged, unauthorized, or missing signatures or endorsements, or material alterations.

Except as otherwise provided elsewhere in this Agreement, if you fail to notify us within 60 days after we send or otherwise make the statement available to you, you agree that:

- We are not obliged to accept a claim related to the error or unauthorized transaction, regardless of the care or lack of care we may have exercised in handling your account.
- We are not liable to you for subsequent unauthorized transactions on your account by the same person(s).

After you report problems with your account, you agree that:

- We have a reasonable period of time to investigate the facts and circumstances surrounding any claimed loss and that we have no obligation to provisionally credit your account, unless otherwise required by law.
- You will fully cooperate with us in the investigation and prosecution of your claim and any attempt to recover funds, and you will provide us with all the information and documentation requested, including an affidavit if needed. We may deny your claim if you fail to provide us with any requested information or documentation in a timely manner.
- We may require you to close your account and open a new one. If you do not do so, we are not liable to you for subsequent losses or damages on the account.
- Our maximum liability is the lesser of your actual damages proven, the amount of the missing deposit, or the amount of the forgery, alteration, or other unauthorized withdrawal, reduced in all cases by the amount of the loss that could have been avoided by your use of ordinary care.
- **We are not liable to you for special or consequential losses or damages of any kind, including loss of profits and opportunity or for attorneys' fees you incur.**
- Any assistance we provide to you concerning such claims is not a waiver of any of the above provisions.

Available Balance

Your Available Balance is the amount of funds in your account that we determine is available to authorize or pay items. Your Available Balance may change throughout the day as transactions occur. Your Available Balance generally includes the following:

- **Transactions that have posted to your account.** These transactions include deposits to your account ("credits") and withdrawals, payments and transfers from your account ("debits") that have posted to your account during our end-of-Business Day processing.
- **Transactions that have not yet posted to your account.** Some transactions – such as credits and debits that appear as "pending" in your account – may impact your Available Balance even though they have not yet posted to your account.

Your Available Balance generally does not reflect the following:

- **Funds on hold.** Funds in your account that are subject to certain holds are not included in your Available Balance. These holds include, but are not limited to, deposit holds or funds subject to a dispute or Legal Process hold.
- **Items not yet presented to us for payment.** Your Available Balance does not take into account certain item(s) that have not yet been presented to us for payment, such as checks you have written that we have not yet received, or payments scheduled through USAA Pay Bills that have not yet been processed.

- **Debit card merchant refunds.** Certain pending debit card merchant refunds are not included in your Available Balance.

If we determine that your account's Available Balance isn't enough to authorize or pay an item, depending on your account's overdraft setting, we may either decline or return the item unpaid, or pay the item anyway, at our discretion, causing an overdraft. An Overdraft Fee may apply. See the *Overdraft Policy* provision for more information.

Debit Card Authorization Holds

A debit card Authorization Hold typically impacts your Available Balance by the amount of the authorization request submitted by the merchant or financial institution. Depending on the merchant or financial institution and type of transaction, it may take several days, or longer, for the pending Authorization Hold to expire and the final transaction to post to your account. The amount or description of the Authorization Hold may be different than the amount or description of the final debit card transaction. This usually happens when the final amount of the transaction is not known at the time of the Authorization Hold. Examples of merchant types where this may occur include restaurants, hotels, gas stations or car rentals.

If the Authorization Hold expires and the transaction has not yet been presented to us for final payment by the merchant or financial institution, the Authorization Hold amount is returned to your Available Balance. However, the merchant or financial institution can still present the transaction for payment after the Authorization Hold expires. If we determine that your account's Available Balance is no longer enough to pay for the debit card transaction once it is presented to us for final payment by the merchant or financial institution, an overdraft may result. See the *Overdraft Policy* provision for more information about overdrafts.

Posting Order

Posting order is the order in which we apply deposits to your account ("credits") and withdrawals, transfers and payments from your account ("debits") when we process transactions after the end of FSB's Business Day.

We generally process your credits and debits as follows:

After the end of FSB's Business Day, we assign each transaction to a credit or debit category. We use several different categories for credits and debits. These categories may include more than one type of transaction.

Then, we process credits and debits by category according to our posting order. This means that we process transactions in the first category before proceeding to the next category. Within each credit or debit category, we process items from lowest to highest dollar amount. We generally post credit categories before we post debit categories:

- **First,** we post credits to your account that we have received before the cutoff time on a Business Day. See the *Determining When A Deposit Is Received* provision in the *Funds Availability Policy* section for the cutoff times of various deposit types.
- **Second,** we post debits that have been presented to us for final payment before FSB's end-of-Business-Day processing.

Credits and debits may not post in the order in which transactions occur.

The following chart illustrates our general posting order of debit categories:

Posting Order of Debit Categories	Debit Categories	Example debit items within the category include (but are not limited to):	How debit items are processed within the category
1 st	Category I	• Deposit adjustments such as returned deposit items, deposit corrections, and ATM and debit card adjustment reversals • Interest adjustments	Low to high dollar amount
2 nd	Category II	• ATM and debit card transactions • Teller and official checks you purchase • Wires you send • Checks drawn on your account that are cashed with an FSB teller • Zelle® transfers • Transfers between FSB checking and savings accounts • Certain one-time, same-day payments to FSB loans and FSB credit cards	Low to high dollar amount
3 rd	Category III	• Automated Clearing House (ACH) transactions • Certain payments to FSB loans and FSB credit cards	Low to high dollar amount
4 th	Category IV	Checks drawn on your account (other than checks drawn on your account that are cashed with an FSB teller)	Low to high dollar amount
5 th	Category V	FSB fees, such as the Expedited Mail Fee	Low to high dollar amount

Certain FSB-initiated credits and debits, including, but not limited to any interest paid (credit) and tax withholding (debit) may post after all the debit categories referenced in this chart are processed.

If we determine that your account's Available Balance isn't enough to pay an item, our processing methods may impact the number of overdrafts, Overdraft Fees and items declined or returned unpaid. Please see the *Overdraft Policy* provision for details. We may, in our sole discretion, change the posting order described above at any time without notice, regardless of whether additional fees or penalties may result.

Overdraft Policy

If we determine that your account's Available Balance isn't enough to authorize or pay an item, and the item is not paid by an enrolled Overdraft Protection protecting account (if applicable), then we will handle the item according to your account's overdraft setting. We offer two overdraft settings: Standard Overdraft and Auto-Decline.

Standard Overdraft Setting: The Standard Overdraft setting is automatically applied to your qualifying checking account(s). You may request to change your setting to Auto-Decline, described below, at any time. With the Standard Overdraft setting, when we determine that your account's Available Balance isn't enough to pay certain items, such as checks, ACH transactions (for example, your electronic mortgage payment), USAA Pay Bills bill payments, and recurring debit card transactions, we may elect to pay the item anyway, at our discretion, causing an overdraft. An Overdraft Fee may apply. See the *Account and Service Fee Schedule* for details. Other items, including everyday (one-time) debit card purchases, ATM withdrawals, and Zelle® transactions, are declined when we determine that your account's Available Balance isn't enough to authorize the item. Overdraft Fees do not apply to items that we decline. However, the merchant or other payee may charge you fee(s) for the declined item. (See below for information on how we handle debit card and other transactions that were previously authorized when your account had a positive Available Balance, but are later presented to us for final payment when we determine that your account's Available Balance no longer has enough funds to pay the item.)

Discretionary Overdraft: We may overdraw your account in our sole discretion based on a variety of certain factors such as your account history, the deposits you make and the transaction amount. This means that we do not guarantee that we will ever authorize or pay an item that will overdraw your account. However, if we do overdraw your account to pay an item, we are not obligated to continue paying future items that will overdraw your account. We may pay all, some, or none of your items that would result in overdrafts, without prior notice to you.

The following accounts do not qualify for the Standard Overdraft setting and will automatically be set to the Auto-Denial setting described below:

- USAA Youth Spending accounts;
- Fiduciary accounts such as accounts opened for an estate, a formal trust, guardianship, conservatorship, UTMA or other similar style of fiduciary account;
- Accounts enrolled in our Overdraft Protection service using a credit card as a protecting account; and
- Savings accounts.

Auto-Denial Setting: You may change the overdraft setting of your checking account to the Auto-Denial setting. Some accounts (see preceding paragraph) are automatically set to Auto-Denial. With the Auto-Denial setting, we generally decline or return most types of items unpaid when we determine your account's Available Balance isn't enough to authorize or pay them. Overdraft Fees do not apply to items that we decline or return unpaid. However, the merchant or other payee may charge you fee(s) for the declined or returned item.

Regardless of your account's overdraft setting, there are certain items that we do not decline or return unpaid, including, but not limited to: USAA fees and debit card, ATM, and Zelle® transactions that were previously authorized when your account had a positive Available Balance, but are later presented to us for final payment when we determine that your account's Available Balance no longer has enough funds to pay the item. If we pay these items, causing an overdraft, an Overdraft Fee does not apply.

Changing Your Overdraft Setting: You may request a change of your account's overdraft setting on our USAA Mobile App, usaa.com, or by calling us. See *How to Contact Us* in the *Account and Service Fee Schedule* for more information on how to call us. We may take up to two Business Days to process a request and change the account's overdraft setting. We will not waive or reverse any Overdraft Fee(s) assessed while we are processing your request.

The following chart illustrates the overdraft policy described above; it describes how we handle various types of transactions with each overdraft setting when we determine that your account's Available Balance isn't enough to authorize or pay an item, as applicable:

TYPES OF TRANSACTIONS	OVERDRAFT SETTINGS	
	Standard Overdraft	Auto-Denial
Transactions such as: • Checks • ACH transactions • Payments using the USAA Pay Bills service • Recurring debit card transactions	We may elect to pay the item, at our discretion, causing an overdraft. Overdraft Fees may apply. See the Account and Service Fee Schedule for details. If we do not pay the item, we decline or return the item unpaid. Overdraft Fees do not apply.	We decline or return the item unpaid. Overdraft Fees do not apply.
• Everyday (one-time) debit card purchases • ATM withdrawals • Zelle® transactions	We decline the debit card / ATM / Zelle® authorization. Overdraft Fees do not apply.	
Transactions we do not decline or return, including (but not limited to): • Transfers between FSB checking and savings accounts • FSB fees • Debit card, ATM and Zelle® transactions that were previously authorized when your account had a positive Available Balance, but are later presented to us for final payment when we determine that your account's Available Balance no longer has enough funds.	We pay the item, causing an overdraft. Overdraft Fees do not apply.	

Important: An item that appears as pending may still cause an overdraft or be returned unpaid during end-of-Business Day processing if we determine your account's Available Balance isn't enough to pay the item. The *Account and Service Fee Schedule* explains when we charge you fees for overdrafts and the dollar amount of the fees. Additionally, you may be charged fees by the merchant or other payee. You should review the *Account and Service Fee Schedule* carefully. Also note that the classification of a debit card transaction (not including ATM transactions) as recurring or non-recurring (i.e., one-time) is determined by merchants, other institutions, or other third parties before the transaction is presented to us for authorization or payment. We will treat and process such debit card transactions in the manner they are presented to us, which may result in a one-time debit card transaction presented as recurring preauthorized transactions and vice versa.

Your Overdraft Responsibilities: If we overdraw your account to pay an item, you agree to immediately make a deposit into your account to return it to a positive balance (of at least zero), without notice or demand from us. If you fail to bring your account to a positive balance, we may, without notice:

- (1) Debit any other deposit account of any account owner of the overdrawn account to cover the overdraft;
- (2) Report the delinquency to consumer reporting agencies and initiate collection efforts; and/or
- (3) Close your account.

You agree to reimburse us for all costs and expenses we incur to collect such overdrawn amount (including attorney's fees and expenses). Each account owner is jointly and severally responsible for paying any overdrafts created by an Authorized Signer or account owner, whether or not the account owner participates in or benefits from the transaction. This means that all account owners will be responsible for each overdraft. **You agree that we may use subsequently credited deposits made to the account including, without limitation, deposits of tax refunds, or government, welfare, retirement and Social Security benefits, to pay any overdraft, fee or other obligation you owe us to the fullest extent permitted by law. You understand and agree that if you do not want such benefits applied in this way, you will need to change your direct deposit instructions with the benefits payor prior to payment of the benefit.**

Overdraft Fee Refund Window

If you incur an Overdraft Fee, it is charged to your account the *Business Day following the posting date of the Overdraft Item*. For example, if an Overdraft Item posts to your account on Monday, the Overdraft Fee for that item is charged to your account on Tuesday (if it is not a federal holiday). An item's posting date typically appears on the USAA Mobile App or usaa.com. Please see the *Account and Service Fee Schedule* for more information about Overdraft Fees.

With Overdraft Fee Refund Window, we provide a refund of an Overdraft Fee charged to your account if we receive a qualifying deposit to the account within a window of time after the Overdraft Item posting date. A qualifying deposit must meet **all of the following criteria** to receive the Overdraft Fee refund:

- **Timing of deposit.** The deposit must be received before the applicable deposit cutoff time on the *Business Day following the posting date of the Overdraft Item*. See the *Funds Availability Policy* section of this Agreement for more information on deposit cutoff times.

As an example: If an Overdraft Item posts to your account on Monday, we must receive the deposit prior to 9 p.m. on Tuesday (or an earlier time on Tuesday, if an earlier deposit cutoff time applies).

- **Amount of deposit.** The deposit must be enough to bring the account's Available Balance to at least negative (-) \$50 (i.e. your account's Available Balance must not be overdrawn by more than \$50) after all items (not including the Overdraft Fee subject to refund) have processed at the end of the *Business Day following the posting date of the Overdraft Item*.

Important Note: There may be items that affect your Available Balance on the *Business Day following the posting date of the Overdraft Item* that do not appear on the USAA Mobile App or usaa.com until after end-of-Business Day processing. As such, please keep track of transactions you've made or authorized that have not yet been presented for payment from your account.

- **Available funds.** The funds must be available for use. Funds on hold, including deposit or other holds, do not qualify as a deposit for this refund. Please see the *Funds Availability Policy* section for details.

As an example: You deposit a \$500 check to your account using USAA Deposit@Mobile®, however a \$400 hold is placed on the deposit; only \$100 of the deposit is available for use to qualify for the Overdraft Fee refund.

- **Types of deposit(s).** Generally, all deposit types qualify for the Overdraft Fee refund including mobile check deposits, electronic direct deposits, transfers, ATM deposits, and in-person deposits. You may make more than one deposit. Note, not all deposits are immediately available for use. Overdraft protection transfers that occur during end-of-Business Day processing also qualify.

Below, we provide an example to help illustrate how Overdraft Fee Refund Window works:

EXAMPLE:	THE MATH:
Tuesday: On Tuesday, your account's beginning Available Balance was \$100. At our discretion, a \$300 bill payment was paid and posted on Tuesday, resulting in an ending Available Balance (overdraft balance) of negative (-) \$200. Wednesday: On Wednesday, we received a \$150 deposit of available funds into the account via a transfer prior to 9 p.m. Central Time, which brought the account to an Available Balance of negative (-) \$50. But during end-of-Business Day processing, a check you wrote is presented for payment against your account in the amount of \$50 (which we pay, in this instance, at our discretion). (The check did not appear on the USAA Mobile App or usaa.com until after end-of-Business Day processing was complete.) This brought your account's Available Balance down to negative (-) \$100. Also on Wednesday, one \$29 Overdraft Fee was charged for Tuesday's Overdraft Item. You do not qualify for a refund of the Overdraft Fee for Tuesday's Overdraft Item. The account's Available Balance is negative (-) \$100 after all items (not including the Overdraft Fee subject to refund) have processed at the end of Wednesday (the <i>Business Day following the posting date of the Overdraft Item</i>). To qualify for a refund of the Overdraft Fee, that Available Balance must be at least negative (-) \$50; we must have received qualifying deposit(s) in the amount of at least \$200 within the <i>Overdraft Fee Refund Window</i>. Note, on Thursday, a \$29 Overdraft Fee will be charged for Wednesday's Overdraft Item (the \$50 check paid). You may qualify for a refund of this Overdraft Fee by making a qualifying deposit according to the terms of this <i>Overdraft Fee Refund Window</i> provision.	Tuesday: \$100 beginning Available Balance - \$300 bill payment (Overdraft Item) = -\$200 ending Available Balance (overdraft balance) Wednesday: - \$200 beginning Available Balance (overdraft balance) + \$150 deposit of available funds - \$50 check paid (Overdraft Item) = -\$100 Available Balance (not including the Overdraft Fee below subject to possible refund) - \$29 Overdraft Fee for Tuesday's \$300 bill payment You do not qualify for a refund of the Overdraft Fee charged to your account on Wednesday.

Note, you are still responsible to return your account to a positive balance (of at least zero) as described in the *Your Overdraft Responsibilities* paragraph of the *Overdraft Policy* provision.

Overdraft Protection

Overdraft Protection is an optional service that transfers or advances available funds from your eligible checking, savings or credit card account (each, a "protecting account") to your checking or savings account (the "protected account") to help cover item(s) when we determine that your protected account's Available Balance isn't enough to pay an item during end-of-Business Day processing. To enroll, you must be an owner on both the protected and protecting accounts. Your protecting account can provide overdraft protection for multiple protected accounts. However, your protecting account cannot also be a protected account. Only one transfer or advance occurs per Business Day from the protecting account, even when multiple transactions are covered. A transfer or advance is attempted only on Business Days where at least one debit item is presented to us for final payment during end-of-Business Day processing. We reserve the right to exclude certain forms of account ownership, including, but not limited to, trust, estate, guardianship, and UTMA accounts, from being enrolled in this program. If you would like to change your protecting account, please contact us.

Protecting Account - Checking or Savings Account: If you have selected a checking or savings account as your protecting account, an overdraft protection transfer will not occur unless the protecting account has enough available funds to cover at least the first debit item presented to us for final payment during end-of-Business Day processing, all pending transactions and the prior Business Day's overdraft balance. If your protecting account has sufficient available funds to cover these items, we will then attempt to transfer available funds from your protecting account to cover individual items in the order described in the *Posting Order* provision of the *Using Your Account* section of this Agreement. A transfer is attempted only on Business Days where at least one debit item (including fees that we charge) is presented to us for final payment during end-of-Business Day processing. If an item isn't covered by Overdraft Protection, the item may either be declined or returned unpaid or, we may pay the item anyway, at our discretion, causing an overdraft. Overdraft Fees may apply. If items are declined or returned unpaid, the merchant or other payee may charge you fees. See the *Overdraft and Non-Sufficient Funds Policy* provision of the *Using Your Account* section for more information.

We do not guarantee that we will make an overdraft protection transfer or that an overdraft protection transfer will be sufficient to pay an item or will prevent returned items, overdrafts or Overdraft Fees.

Protecting Account - USAA credit card account: If you have selected an eligible USAA credit card account as your protecting account, we will request a cash advance in \$100 increments from the credit card account to help cover the total amount of the overdraft balance in the protected account. An advance is attempted only on Business Days where at least one debit item (not including fees that we charge) is presented to us for final payment during end-of-Business Day processing. The process is generally as follows:

- First, we will provisionally pay the item(s) presented for payment, which may result in an overdrawn protected account (even if your protecting credit card account has sufficient available credit). An Overdraft Fee does not apply to the provisional payment of these items. This occurs prior to requesting approval of the cash advance from your protecting credit card account.
- Second, we will initiate a request for a cash advance from your protecting credit card account in \$100 increments to help pay the total amount of the overdrawn balance in the protected account and one of the following will occur:

- **If the cash advance request is approved to pay the total amount of the overdraft balance in the protected account in \$100 increments,** the cash advance from the protecting credit card account posts to your protected account within two Business Days. Your protected account may remain overdrawn during this period.

We do not charge a fee to your protected account for the credit card cash advance. However, the cash advance is subject to the terms, conditions, fees and finance charges disclosed in your credit card agreement for cash advance transactions.

- **If the cash advance request is not approved to pay the total amount of the overdraft balance in the protected account in \$100 increments,** we will not advance any funds from the protecting credit card to help cover the overdraft balance. We may reverse our previous provisional payment(s) of item(s) and return those item(s) unpaid. Any items that were previously paid on a provisional basis that we do not return unpaid will cause overdraft(s), but are not subject to Overdraft Fee(s). Merchants or other payees may charge you fees for any item(s) that are returned unpaid.

The Overdraft Protection cash advance may be declined for certain reasons, including, but not limited to, if you are in default under your credit card agreement or if the advance would cause you to exceed the amount of credit available.

If additional item(s) are presented for payment against the protected account and there are not sufficient available funds in the protected account or protecting credit card account, overdraft(s) may result or item(s) may be declined or returned unpaid for non-sufficient funds. The merchant or other payee may charge you fees for item(s) that are declined or returned unpaid.

Additional Terms and Conditions: Any account owner of both the protected and protecting account may terminate or modify Overdraft Protection at any time without consent of the other account owners. We may take up to three Business Days to process this request.

If we do not transfer funds from the protecting savings or checking account or advance funds from the protecting credit card account for any reason, we may decline or return item(s) unpaid from the protected account without notice to you, or pay an item, at our discretion, causing an overdraft. This may result in Overdraft Fee(s), if applicable. For item(s) declined or returned unpaid this may result in additional fees from merchants/other payees. We are not obligated to transfer or advance funds from the protecting account. We do not guarantee that an overdraft protection transfer will pay an item or will prevent overdrafts, Overdraft Fees or declined or returned items.

We reserve the right to terminate or modify your enrollment in Overdraft Protection at any time and for any reason. For example, we may cancel your enrollment in Overdraft Protection if your protected account is closed, if your protecting account is closed, or if you are no longer an owner of the protected account or protecting account. We may terminate your enrollment in Overdraft Protection if an enrolled account is determined to be ineligible or if we reasonably believe there is unusual Overdraft Protection or other activity on the protected or protecting account.

Stop Payment of Checks

What Can Be Stopped: You may ask us to stop payment on a check you have written or authorized if it has not already been paid.

Please note, if you wish to stop payment on a preauthorized electronic fund transfer that you have scheduled, see the *Stop Payment of Preauthorized Payments* provision in the *Electronic Banking Services* section of this Agreement for information.

How to Place a Stop Payment Order: You may request a stop payment order on the USAA Mobile App, on usaa.com, by mail, or by calling us. To place a stop payment order, you must provide the account number and the check number (or a range of check numbers). We may also require the date of the item, the exact amount of the item (dollars and

cents), the name of the person who signed or authorized the item, and the name of the party to whom the item was made payable. If you give us incomplete or incorrect information, we may be unable to stop payment and we may pay the item.

When to Place a Stop Payment Order: You must give us sufficient notice so that we have a reasonable period of time to verify and act on your request. A stop payment order takes effect only after we have a reasonable period of time to verify that the item is unpaid. Payment cannot be stopped on a check or item that has been paid or is in the process of being paid. At the time you request a stop payment, we may not be able to tell you whether the check or item has been paid or is in the process of being paid.

Fees: We may charge you a fee for each stop payment order and each renewal of the order. See the *Account and Service Fee Schedule* for details.

Duration of a Stop Payment Order: A stop payment order will stay in effect for a period of 185 calendar days from the date we accept your stop payment order of a single check, or a period of 365 calendar days from the date we accept your stop payment order of a range of checks. After this period of time, the stop payment order will no longer be in effect, and we may pay the item. If you want the stop payment order to remain in effect, you must renew it. Each renewal is treated as a new stop payment order and is subject to an additional stop payment fee. See the *Account and Service Fee Schedule* for details.

Cancellation of a Stop Payment Order: If you want to cancel the stop payment order you must contact us or submit a request on usaa.com. Your request to cancel the order is not effective until we have a reasonable period of time to act on it. If the item is presented for payment after the order is cancelled, we may pay the item.

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

Under certain circumstances, the law may allow the party in possession of the check to enforce payment, despite the stop payment order. You agree to indemnify us against any claim or loss we incur from honoring your stop payment request.

Teller's Checks: You cannot stop payment on an FSB Teller's Check, which includes account disbursement checks provided to you. However, you may be able to claim a refund if the Teller's Check is lost, stolen, or destroyed. To claim a refund of the amount of the item, you must request and submit our declaration of loss statement form and the item must not have been presented for payment for 90 days from the date the Teller's Check was issued.

Certificate of Deposit (CD) Accounts

When you open a CD account, you agree to leave your money in the account for a specific period of time. This period of time is called the term. The last day of the term of your CD account is called the maturity date and is disclosed at account opening. We do not issue an actual certificate. Your CD is non-negotiable, non-transferable, and cannot be assigned without our written consent. See the *Account and Service Fee Schedule* for additional terms that apply your CD account.

Interest on Your CD Account:

Interest and APY rates that apply. The interest rate and Annual Percentage Yield (APY) that apply during the term of your CD account are disclosed at account opening. The APY assumes that interest earned in your CD account will remain on deposit until the maturity date. If you elect to withdraw interest or principal during the term of the CD account, the APY you receive will be lower than the disclosed APY.

How we calculate interest on CD accounts. We use the daily balance method to calculate interest on your CD account. This method applies a daily periodic rate to the ledger balance that we determine is in the CD account each day. Interest is computed on a 365-day year, except in leap years when interest may be computed on a 366-day year.

When interest begins to accrue on non-cash deposits. When you deposit a non-cash item into a CD, interest begins to accrue on the non-cash item on the Business Day we receive the deposit of that item.

When interest is compounded and credited on CD accounts. We credit and compound interest on a monthly basis. If your account is closed before we credit any accrued interest, accrued interest will be paid through the last full day before the day the account is closed, but an early withdrawal penalty will apply if closed prior to maturity. We pay interest only in whole cents. Any fractional amount of interest less than half of one cent will be rounded down to the whole cent and any fractional amount of interest equal to half of one cent or more will be rounded up to the next whole cent. When we round up the fractional interest earned to the nearest cent, we advance the rounding difference to you and will reduce the next month's interest by that amount. When we round down the fractional interest earned to the nearest cent, we hold the rounding difference for you and will add it to the next month's interest.

Example:

Statement Period	Fractional Interest Earned	Rounded to Whole Cent	Rounding Difference
March	0.7 cents	1 cent	+ 0.3 cents
April	0.4 cents earned minus 0.3 cents added to March = 0.1 cents	0 cents	- 0.1 cents
May	0.9 cents earned plus 0.1 cents subtracted from April = 1 cent	1 cent	0 cents

Withdrawal of Interest. You may request that interest be withdrawn from your CD account on a monthly basis and transferred to one of your FSB checking or savings accounts. You are not subject to an early withdrawal penalty for such a withdrawal of interest.

Grace Period: There is a 10-calendar day grace period (the "Grace Period") beginning on the day after the maturity date. However, if the 10th calendar day is a non-Business Day, the Grace Period ends on the immediately preceding Business Day. During the Grace Period, you may withdraw all or a portion of the funds in your CD account without penalty, renew your CD account with the same or a different term, add additional funds to your CD account or close your CD account.

Renewals: Your CD account automatically renews on the maturity date, unless we receive instructions from you prior to the end of the Grace Period not to renew your CD account. CD accounts automatically renew at the current rate of interest offered for the CD account and with the same term, unless we notify you otherwise. The principal balance for the renewal term will be the total balance in the CD account (principal plus the interest that was not previously withdrawn).

Early Withdrawals: In our discretion, we may permit you to withdraw principal funds from the CD account at times other than the Grace Period. Each time we permit a withdrawal of principal funds outside of the Grace Period, we may apply an early withdrawal penalty, as shown in the *Account and Service Fee Schedule*. It may be necessary to deduct all or a portion of the early withdrawal penalty from the principal amount of the CD account. First, we deduct the early withdrawal penalty from the CD account's earned interest, and then we deduct any remaining early withdrawal penalty from the principal amount of the CD account. We may waive an early withdrawal penalty, as permitted by law. If a withdrawal, including the penalty, will reduce the account below the required minimum balance, we may treat the withdrawal request as a request to close the account.

Secured CDs: You open a secured CD to serve as the security deposit for a USAA secured credit card. The minimum amount required to open a secured CD depends on the amount of credit you are approved for on the secured credit card. The possible range for the required opening deposit is shown on the *Account and Service Fee Schedule*. The amount you deposit must be equal to the credit limit of the secured credit card.

You may not make additional deposits to a secured CD. However, if we do accept an additional deposit to the secured CD, it will not increase the credit limit on the secured credit card.

- Interest credited to the secured CD will not increase the credit limit on the secured credit card.
- The secured CD must be owned solely by the individual named on the secured credit card. Joint or other forms of ownership are not permitted.
- You may not designate the secured CD to be payable on death to a beneficiary.
- In the event that ownership is inadvertently changed, we may correct the ownership of the secured CD without prior notice to you or any other person. We will notify you if this occurs.
- The secured CD will automatically renew for the same term. You may not change the term or make additional deposits when the secured CD renews.
- If your secured credit card is closed for any reason, we will close the secured CD at the same time.
- If your secured CD is closed for any reason, the funds in the secured CD will be credited to your secured credit card. In the unlikely event that the credit card is not available, the funds will be returned to you directly.

Secured Credit Card Upgrade or Conversion: If your USAA secured credit card is upgraded or converted to an unsecured credit card, FSB will release its security interest in the secured CD and will set the secured CD to close at the end of the current secured CD term. You may elect to close the secured CD prior to the end of the current term by contacting us and requesting that the secured CD be closed early. Notwithstanding the final bullet in the *Secured CDs* paragraph, when the secured CD is closed, we will return the funds to you in a manner determined by FSB or as otherwise required by applicable law.

Change of Contact Information

It's important that you keep your contact information with us up to date. We may send notices, statements and other notifications regarding your account to you at the most recent address we have in our records for your account or that you may have on record with us or an affiliate of FSB. You are responsible for notifying us of any change in your name, mailing address, or other contact information (including telephone number and email address). If the U.S. Postal Service or one of its agents tells us that your address is changed, we may change your address in our records to that address. We may change your contact information only for the account(s) you specify or for all or some of your other account(s) with us. After account closure, we reserve the right to use the contact information that we may find through any means.

Closing an Account

We may close your account for any reason without advance notice. We may require you to give us a minimum of seven (7) calendar days advance written notice when you intend to close your account by withdrawing your funds. We may refuse to close your account if your account has a pending transaction (including a pending dispute or investigation), overdrawn balance, restriction (including a deposit, collateral or decedent hold), or is subject to Legal Process. At the time of account closure, we will post, as applicable, any accrued interest, required tax withholding, and the closing debit for any remaining funds.

Once the account closure process is complete, we have no obligation to accept deposits or pay outstanding checks or other items presented for payment. We are not liable for any claim, cost, loss or damage that may result from not honoring items that are presented or received after your account is closed. You agree to pay immediately all amounts you owe us. We may reopen the account to accept a debit or credit, or to perform maintenance, in our sole discretion, and will notify you after we do so. If we have to reopen your account to accept such a debit or credit or to perform such maintenance, you cannot make any transactions with the account. It is only open to process the transaction(s) or account maintenance, and we will re-close the account after such transaction(s) or maintenance has been completed. We have the right to advise consumer reporting agencies and other third-party reporting agencies of accounts closed for misuse, such as unpaid overdrafts. This Agreement continues to govern your account even after your account closes.

Funds Availability Policy

This Funds Availability Policy applies to checking accounts, but not savings or CD accounts. Our general policy is to make deposits to your checking account available according to the time frames described in this section ("*Funds Availability Policy*").

This *Funds Availability Policy* does not apply to the following types of deposits and we may delay availability of funds from these deposit types:

- Savings and CD account deposits;
- Funds deposited via FSB's remote deposit capture services; please refer to the Remote Deposit Capture User Agreement for general funds availability of checks deposited through USAA Deposit@Mobile or other FSB remote deposit capture service;
- Checks drawn in a foreign currency or on banks located outside the United States;

- Items we accept for collection only (not as an ordinary deposit); or
- ACH debit transfers initiated at FSB to be withdrawn from your external (non- USAA) bank account and deposited to your FSB account.

Your Ability To Withdraw Funds

The following provides our general policy:

Deposit Types	When the deposit types are generally available
Checks	By the first Business Day after the day we receive your deposit
Electronic direct deposits, incoming wire transfers and cash deposits made with an FSB employee	On the day we receive the deposit
Cash deposits made at an ATM	By the first Business Day after the day we receive your deposit

Once funds from deposits are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written and other items.

Determining When a Deposit is Received

For determining the availability of deposits, Business Days are Monday through Friday, excluding federal holidays. If we receive your deposit before the applicable cutoff time on a Business Day that we are open, we will consider that day to be the day of your deposit. However, if we receive your deposit after the applicable cutoff time or on a day that is not a Business Day or that we are not open, we will consider the deposit to have been received on the next Business Day we are open. For example, if you deposit a check after the applicable cutoff time on a Monday, then we will consider the deposit to have been received by us on Tuesday, if Tuesday is the next Business Day FSB is open; Tuesday will be considered the day of the deposit. FSB's usual cutoff times are as follows:

Deposit Channels	Cutoff Times
With an FSB employee in person at the FSB branch in San Antonio, TX	5 p.m. Central Time If FSB closes before 5 p.m. Central Time, then deposits made after closing will be considered received on the next Business Day FSB is open. The lobby and drive-thru may have different cut-off times at this location.
At an ATM that accepts deposits to FSB accounts	7 p.m. Central Time, unless a different time is posted on the ATM or displayed on the ATM screen
By Mail	The Business Day FSB receives the deposit in its San Antonio, Texas branch
USAA Deposit Box	The Business Day FSB receives the deposit in its San Antonio, TX, branch, unless a different time is posted at the Deposit Box
USAA online and mobile banking transfers from FSB accounts	9 p.m. Central Time
USAA telephone transfers from FSB accounts	9 p.m. Central Time
USAA Deposit@Mobile and other USAA remote check deposit services	9 p.m. Central Time
Zelle® transfers you receive	9 p.m. Central Time

The cutoff times reflect the times displayed on our internal systems and may not be the same as the time displayed on your computer or mobile device. Employees in USAA Financial Centers (other than FSB's branch in San Antonio, TX) do not accept deposits in person.

Next Day Availability

Funds from the following deposits, made in person to an FSB employee, will be made available on the first Business Day after the day of deposit:

- Federal Reserve Bank checks that are payable to you;
- Federal Home Loan Bank checks that are payable to you;
- U.S. Postal Service money orders that are payable to you;
- State or local government checks payable to you and issued in the state where you make the deposit, if you use a Special Deposit Ticket; and
- Cashier's, certified, or teller's checks payable to you, if you use a Special Deposit Ticket.

However, if you do not make your deposit in person with an FSB employee, funds from these deposits will be available by the second Business Day after the day of your deposit.

Funds from the following type of deposits will be made available on the first Business Day after the day of deposit:

- U.S. Treasury checks that are payable to you; and
- Checks that are drawn on us.

Longer Delays May Apply

In some cases, we will not make all of the funds that you deposit by check available to you by the first Business Day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second Business Day after the day of your deposit. However, the first \$275 of your deposits may be available on the first Business Day after the day of your deposit.

If we are not going to make all of the funds from your deposit available by the first Business Day after the day of your deposit, we will notify you and will tell you when the funds will be available. We will send you a notice by the Business Day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

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

- We believe a check you deposited will not be paid.
- You deposit checks totaling more than \$6,725 on any one Business Day into all of your accounts.
- You redeposit a check that has been returned unpaid.
- One or more of your accounts has been overdrawn repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons and will tell you when the funds will be available. Funds will generally be available no later than the seventh Business Day after the day of your deposit.

Special Rules for New Accounts

If you are a new account owner, special rules may apply during the first 30 days your account is open:

- Funds from electronic direct deposits and wire transfers to your account will be available on the day we receive the deposit.
- Funds from deposits of cash and the first \$6,725 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available by the first Business Day after the day of deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$6,725 will be available by the ninth Business Day after the day of deposit. If your deposit of these checks (other than U.S. Treasury checks and checks that are drawn on us) is not made in person to an FSB employee, the first \$6,725 may not be available until the second Business Day after the day of deposit.
- Funds from all other check deposits will generally be available no later than the fifteenth Business Day after the day of deposit.

Cash Withdrawal Limitation

We place certain limitations on withdrawals in cash. In general, \$275 of a deposit is available for withdrawal in cash on the first Business Day after the day of deposit. In addition, a total of \$550 of other funds becoming available on a given day is available for withdrawal in cash no later than 5 p.m. Central Time on that day. Any remaining funds will be available for withdrawal in cash on the following Business Day.

Holds on Other Funds

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. If we accept for deposit a check that is drawn on another financial

institution, we may make funds from the deposit available for withdrawal immediately, but delay your ability to withdraw a corresponding amount of funds that you have on deposit in another account with us. In either case, we will make these funds available in accordance with the *Funds Availability Policy* described above for the type of check that was cashed or deposited.

Accelerated Availability

The availability time frames described in this section are FSB's general availability policies and state the maximum availability periods that may apply. If we, in our sole discretion, make a portion of your deposit available prior to the time frames described in this *Funds Availability Policy* or permit any portion of your deposit to be used immediately for certain uses (for example, cash withdrawals or debit card purchases), the balance of your deposit will become available according to the other terms of this *Funds Availability Policy*.

Deposited Checks Returned Unpaid

If a deposited check that we made available to you is returned unpaid, rejected or otherwise not collected by us, you are responsible for the check, even if you have already withdrawn the funds. See the *Returns of Deposited Items* provision in the *Deposits Into Your Account* section.

Reservation of Rights

We reserve the right to accept or reject any item for deposit into your account. If we make funds available to you, we do not waive any of our rights provided by law or this Agreement.

Deposits Into Your Account

Making Deposits

How to Make a Deposit: We provide several ways to make a deposit to your checking or savings account, including in person, by mail, using USAA Deposit@Mobile or other remote deposit capture service we may offer, at certain ATMs that accept deposits to FSB accounts, where available, or by direct deposit or wire transfer.

Account Number on Deposit Instructions: You must use your account number and not your USAA member number on deposit instructions. You must correctly identify the account number into which you want funds deposited. We are not responsible for any delay, claim, cost, loss, or damage caused by your failure to properly identify the account intended to be credited. We may credit an account based solely on the account number you provide, even if the name on the deposit or other credit instruction differs from the name on the account.

Deposit Preparation: You agree to prepare your deposit in accordance with our instructions, which may include the use of an approved form. When making a deposit, you should carefully review the information you have supplied. We will not be liable for any errors that may result from your manual entry of account information. You will not knowingly deposit items into your account that do not have either a true original signature of the person on whose account it is drawn or an authorized mechanical reproduction of that person's signature.

Endorsements: We may require your personal endorsement before accepting an item for deposit. We may require that checks and other items you deposit or cash be endorsed by all parties to whom the items are payable. Before accepting an item, we may require verification of any endorsement, either through personal identification or through an endorsement guarantee by another financial institution acceptable to us. If you do not endorse a check or other item, you authorize us to endorse it for you or treat the item as if you had endorsed it. Any deposited item that appears to contain your stamped or facsimile endorsement will be treated as if you had actually endorsed it.

Location of Endorsement: You must endorse checks in the area that extends 1½ inches from the trailing edge of the back of the check. The trailing edge is the left side of the check when you look at it from the front. If you do not endorse a check properly, and it causes us a loss, cost or expense, you agree to pay us that amount.

Notations and Restrictions: We are not bound by any conditional or restrictive endorsement or other notations, including, for example, any endorsement "without recourse." You are responsible for any loss, cost or expense we incur relating to the conditional or restrictive endorsement or other notation.

Accepting Deposits

An item is not deemed accepted for deposit until it is received by us and we have completed processing of the item. (See the *Determining When a Deposit is Received* provision in the *Funds Availability Policy* section for information on when we consider a deposit received by us.) After we accept an item for deposit, it may be subject to subsequent verification and correction, although we reserve the right not to do so. We may accept a check or other item for deposit to your account from anyone; we have no obligation to question the authority of the person making the deposit.

Check Deposits: After we accept a check for deposit, we will attempt, acting on your behalf, to collect the funds from the financial institution on which it is drawn. We will exercise ordinary care when collecting on your behalf, but we are not responsible for errors, lost items or delays made by others in this collection process.

Our Right Not to Accept Deposits: We may refuse, accept for collection only, or return all or part of any deposit, at any time, including, but not limited to:

- Items payable to another person;
- Requests that a deposit be split into more than one account;
- Cash or coins for deposit through mail or courier; or
- Substitute Checks. If we do accept a substitute check for deposit, at our sole discretion, and we suffer a loss, cost or expense as a result, you will have to pay us that amount.

We may also refuse to cash a check, for any reason.

We do not currently accept foreign items or drafts, including oil and gas drafts. If we do accept such an item, in our sole discretion, and we suffer a loss, cost or expense as a result, you will have to pay us that amount.

Deposit Adjustments and Errors

Adjustments: We may make adjustments to your account to correct a deposit error, in our sole discretion. For example, if we determine that there is a discrepancy between the declared amount on a deposit form or other instruction and the actual amount of the funds, we may adjust (debit or credit) your account for the deposit error. It is your responsibility to ensure that the amount you declare with your deposit is accurate.

We reserve the right to use the declared amount (for example, on a deposit form or other instruction) as the correct amount to be deposited and to not adjust your account for the deposit error if the error is less than our standard adjustment amount. If the deposit error is less than our standard adjustment amount, we may not adjust the deposit unless you notify us of the error within 60 days of the date of your account statement that shows the deposit. If you do not notify us of the error within 60 days, the deposit amount indicated on the account statement will be considered finally settled. This means if the actual amount deposited was less than the amount on your statement, the difference will become your property, and if the actual amount deposited was more than the amount on your statement, the difference will become our property. We may change our standard adjustment amount from time to time without notice to you. We report adjustments on your account statement.

Overpayments and Mistaken Deposits: If funds to which you are not entitled are credited to your account by mistake or otherwise, we may, in our discretion, deduct the amount of these funds from your account, even if the deduction results in an overdraft, without giving you any prior notice or demand.

ACH Transfers

Fund transfers sent through an ACH network, such as direct deposits of payroll, are provisional until final payment or settlement of the ACH transfer. If an ACH transfer that we credit to your account is revoked prior to final settlement, or is reversed or returned, then we may charge your account for the amount credited without prior notice (even if you have already withdrawn the funds or it causes an overdraft of the account). The party originating the ACH transfer is considered not to have made the payment to your account. If this happens, we do not send a separate notice; we notify you of these charges on your account statement. You are responsible for any charges assessed, including fees by merchants or third parties, as a result of an overdraft.

Foreign Checks and Other Collection Items

Collection-Only Items: We may accept checks payable in foreign currencies or payable at foreign locations, and other items on a collection basis only instead of treating them as ordinary deposits. Accepting an item on a collection basis only means that your account is typically not credited for the item until we receive payment for it from the financial institution on which it is drawn. If we elect to credit your account before then, we may deduct the amount of the item from your account if we do not receive payment for any reason.

Our *Funds Availability Policy* does not apply to an item we accept for collection only or to checks drawn in a foreign currency or on financial institutions located outside the United States. When we send items for collection, we are not liable for any event beyond our control, such as a lost item or a delay in the collection process.

Fees: Financial institutions in the collection process and the financial institution on which the collection item is drawn may charge you fees in connection with sending and receiving items for collection, which we may pay and charge to your account.

Foreign Currency Exchange: With foreign items, you agree that we or our correspondent bank may apply a foreign currency exchange rate to convert the proceeds into U.S. Dollars. The foreign exchange rate may include a spread, commission and other costs, and may differ from rates quoted elsewhere. When we receive payment, we will credit your account for the amount we receive in U.S. Dollars, minus any applicable fees.

Returns of Deposited Items

Returns: If a cashed, deposited or a collection item is returned unpaid to us at any time and for any reason, whether or not the return is proper or timely, we may accept that return and charge your account (or any other account you have with us) for the amount of the returned item, plus accrued or earned interest, if any, without prior notice to you. We may, at our discretion, send the unpaid item back to the financial institution on which the item is drawn or other

financial institution in the collection process, in an attempt to collect the funds, without notifying you that the item was returned. You waive any notice of dishonor and protest. We will not be liable to you for any loss or damage you may incur as a result of our not notifying you when the item was first returned.

We may act on, and you agree to be bound by, an electronic or other notice of return just as if the original item had been returned.

Claims: In connection with any cashed, deposited or a collection item, if a claim is made or we have reason to believe that there is a breach of warranty (for example, a forged or missing endorsement or an alteration), that the item is counterfeit, has an unauthorized signature, contains an encoding error, or should not have been paid for any other reason, we may place a hold on your account or charge your account for the amount of the item and pay the amount to the claiming party.

Overdrafts: We may deduct or hold the amount of a returned item from your account. This may result in an overdrawn account if your account's Available Balance isn't enough to cover the returned item and associated charges, including fees by merchants or third parties. However, we do not charge an Overdraft Fee for deducting the amount of the item returned unpaid to us from your account. You agree to immediately repay an overdraft caused by a return of an item. We are not liable to you if, as a result of a returned item, your account's Available Balance is not enough to authorize or pay other items (causing overdrafts, Overdraft Fees or declined / returned items), or your access to funds are restricted in any way due to a hold or charge to your account.

Withdrawals From Your Account

Account Number on Transfer Instructions

If you instruct us to transfer funds from your account, you must correctly identify the account number into which you want funds credited. We are not responsible for any claim, cost, loss, or damage caused by your failure to properly identify the account intended to be credited. We may transfer funds to an account based solely on the account number you provide, even if the name on the transfer instruction differs from the name on the account.

Paying Checks and Other Items

You authorize us to debit your account for a check or other item drawn on your account: 1) on the day it is presented to us for payment (by electronic or other means), 2) on the day we receive notice that the item has been deposited for collection at another financial institution, or 3) at a later time if additional time is required. We may determine whether your account's Available Balance is enough to pay an item at any time between our receipt of such presentment or notice and the time to return the item unpaid. We are not obligated to determine your account balance more than once.

Restrictions on Account Transactions

We may decline, refuse, freeze, restrict, reverse or delay any withdrawal, payment or transfer of funds to or from your account, or we may remove funds from your account to hold them pending investigation, for any reason, including:

- You owe us money;
- We receive conflicting information or instructions regarding account ownership, control, or activity;
- We suspect that any transaction may be fraudulent or involve illegal activity;
- We are complying, in our sole judgment, with any federal, state or local law, rule or regulation, or with our policies intended to comply with those laws;
- We are complying, in our sole judgement, with a legal or administrative proceeding or Legal Process;
- The account is pledged as collateral for a loan;
- You have not presented to us appropriate identification, documentation or other information that we may require;
- You use a type of check or form that is not acceptable to us;
- We experience an equipment or system malfunction; or
- We reasonably believe that doing so is necessary to avoid a loss or reduce risk to us.

We may take such action without advance notice.

Unpaid Items

For checks or other items drawn on your account that we return unpaid, we may either return the original or a copy of the item. Alternatively, we may send an electronic notice of return and keep the original or a copy of the item in our records. If we send an electronic notice of return, you agree that any person who receives that electronic notice may use it to make a claim against you to the same extent and with the same effect as if we had returned the original item.

Checks and Signatures

Check Forms: We strongly encourage you to use checks provided by us or our designated vendor. Checks that you obtain on your own must meet our requirements, including paper stock, dimensions and other industry standards.

You agree that you will not use any checks that contain background designs, prints or colors that interfere with our or any other bank's ability to produce a digital image of your check. We reserve the right to refuse checks that do not meet these standards. We are not liable for any losses that result from checks you obtain or use that do not follow our standards.

Foreign Currency Checks: You may not write checks or other withdrawal orders on your account that order payment in a foreign currency. Checks you write must be in U.S. Dollars.

Post-dated, Incomplete, Conditional Checks: You agree not to write post-dated (future- dated), incomplete, or conditional checks. We have no duty to comply with postdated, incomplete, or conditional checks and may pay such checks. We are not liable for accepting for deposit, paying, refusing to pay, or rejecting any such item. If we pay a conditional check, the conditions do not apply to us.

Stale-Dated Checks: A stale-dated check is a check dated more than six months before it is presented. We may choose to pay or not to pay a stale-dated check, even if the presentment occurs after the expiration of a stop payment order.

Substitute Checks, Indemnified Copies, Images, and Image Replacement Copies: We may receive an indemnified copy of your original check, an image replacement document ("IRD"), a substitute check, or an electronic image of your check, instead of the original. We may act upon presentment of any such version of your check and pay it just as if the original item had been presented.

Check Conversion: Sometimes a check that you write to a merchant or other payee may be converted into an electronic payment by that merchant or payee. Since an image of the check is not sent to us, we cannot provide you with a copy of your check. A check converted to an electronic payment will appear as an electronic debit on your statement.

Check Legends, Restrictions, or Notations: We are not bound by any legends, restrictions or notations you place on any check you write, such as "Void after 6 months," "Void over \$50.00," "Payment in full," or similar language.

Multiple Signatures: We are not required to comply with any multiple signature requirement. If you have indicated that more than one signature is required, we will not be liable if a check or other payment instruction is paid with only one signature.

Facsimile Signature: We are authorized to pay any check bearing any form of facsimile, stamp or computer-generated signature as if it was your signature regardless of who placed the signature. You agree that you have sole responsibility for maintaining the security of any computer, stamp, or other device used to place your signature and that you bear the entire risk of unauthorized use regardless of any security methods you use or the form of signature you create.

Sample Signature: If we elect to review an item presented for payment, we may refer to a check or other document upon which your signature appears in order to determine the authenticity of your signature. If we cannot accurately verify your signature on a check and return the check unpaid, we are not responsible for any losses that may result, even if you authorized the check.

Review of Checks and Signatures: When checks are presented for payment, we use automated check processing procedures consistent with industry standard practice; we do not review every check, nor do we individually examine most checks for dates, signatures, legends, or endorsements. We may, for our own purposes, select a small number of checks to review based on certain criteria that may change from time to time. You agree that this process is commercially reasonable and is an acceptable standard of care. You accept responsibility for preventing and reporting forgeries, alterations, and other unauthorized uses of your checks. We have no obligation to prevent a check from being presented for payment more than once.

Cashing Checks Drawn on Your Account: If a person wants to cash a check drawn on your account with an FSB employee, we may require that person to provide identification satisfactory to us or comply with other requirements. If the person with a check drawn on your account fails or refuses to satisfy our requirements, we may refuse to cash the check and we will not be liable to you for refusing to cash the check.

Large Cash Withdrawals

We may place reasonable restrictions on a large cash withdrawal, including requiring advance notice for such a withdrawal or that you provide adequate security acceptable to us at your sole risk and expense. We may refuse to honor a request for a large cash withdrawal if we believe it would cause us an undue hardship or security risk. We are not responsible for providing you security in any such transaction. If you are robbed or assaulted in connection with a large cash withdrawal, you agree to release us from any liability.

Notice of Withdrawal

We reserve the right to require seven (7) calendar days advance written notice from you to withdraw or transfer funds from any checking or savings account.

Domestic and International Wires

General Provisions for Wire Transfers

The provisions in this section do not apply to electronic fund transfers described in the *Electronic Banking Services* section of this Agreement. As permitted by us and applicable law, you may send and receive wire transfers, a type of “funds transfer” under Article 4A of the Texas Uniform Commercial Code (“UCC 4A”). The terms “funds transfer,” “funds transfer system,” “payment order,” and “beneficiary” are used in this provision as defined in UCC 4A. In general, a UCC 4A funds transfer involves processing a payment order (a type of instruction) for the purpose of making a payment to a beneficiary (a person or entity receiving the payment). Funds transfers to or from your account will be governed by the rules of the funds transfer system through which the transfers are processed, in addition to applicable law.

Payment Orders: When you give us a payment order, you authorize us to act on your behalf to initiate a funds transfer and charge your account for the amount of the funds transfer and any applicable fees. For current fees, see the *Account and Service Fee Schedule*. We may select any intermediary or correspondent bank, funds transfer system or means of transmittal to send your payment order. Except as required by law, we reserve the right to reject any payment order without cause or prior notice, and may notify you of the rejection orally, electronically, or in writing. We may limit the availability of our wire transfer services at any time, at our sole discretion. We are not liable to you for any loss you may incur as a result of our rejection of a payment order.

Reliance on Account Number: Before initiating any funds transfer, you should carefully review the account numbers you provide on the payment order. We may rely on the information you provide in your payment order, including the account number and financial institution of the beneficiary. You agree that we may process the payment order based solely on the account number you provide on the payment order, even if the named beneficiary on the payment order differs from the name on the account at the beneficiary bank. Unless specifically required by applicable law, any losses resulting from an incorrect account number or your misidentification of the beneficiary is not our responsibility.

Cutoff Times for Receipt of Payment Orders: If your payment order is received prior to 4:00 p.m. Central Time (3:30 pm Central Time for international wires) on a Business Day and is verified through our security procedures outlined below, the payment order may be processed the same Business Day. If it is received on or after 4:00 p.m. Central Time (3:30 pm Central Time for international wires) or on a non-Business Day, the payment order may be processed the next Business Day.

Security Procedures: You agree and consent to our use of security procedures to confirm the authenticity of the payment order, including but not limited to: contacting you to verify the authenticity and content of the payment order and requiring proof of identification or any other documentation. You agree that these security procedures are commercially reasonable methods of providing security against unauthorized payment orders. You also agree that any security procedure we may employ is designed to verify the authenticity of payment orders and not to detect errors in the content of any such payment orders.

Amending or Cancelling Payment Orders: Except as specifically provided for in the disclosures you receive for an international remittance transfer (see the *International Remittance Transfers* provision below), we are not obligated to amend or cancel a payment order after we receive it from you. In many cases, after a payment order is processed, we have no ability to cancel it. However, if you ask us to amend or cancel a payment order, we may make a reasonable effort to act on your request provided it complies with our security procedures, and we may charge a fee for doing so. We are not liable to you if, for any reason, the payment order is not amended or canceled. You agree to reimburse us for any costs, losses or damages that we incur in connection with your request to amend or cancel a payment order.

Receiving Funds Transfers: We notify you about funds transfers credited to your account by listing them on your account statement. In some cases, we also may notify you electronically or in writing. Funds transfers are credited based solely on the account number specified on the payment order even if the name on the payment order differs from the name on the account. If you are receiving a funds transfer that was sent in a foreign currency, the funds will be converted to U.S. Dollars by an intermediary or correspondent bank before receipt by us and your account will be credited in U.S. Dollars. The foreign currency exchange rate may include a spread, commission and other costs, and may differ from rates quoted elsewhere.

Wire Errors: Except as specifically provided for in the disclosures you receive for an international remittance transfer (see the *International Remittance Transfers* provision below), you must notify us as soon as possible but not later than 60 days after we send or otherwise make your statement available to you, if you think a wire transaction shown on your statement is incorrect or unauthorized. See the *Reporting Problems With Your Account* provision in the *Using Your Account* section for more information on how to report wire errors. However, we are not required to credit or adjust your account for any loss of interest or interest equivalent if you do not notify us within 14 days after the date you receive the first notice or statement on which the incorrect or unauthorized domestic wire transaction appears.

Limitation of Liability: Except as required by law, our liability for any act, delay or failure to act shall be limited solely to direct resulting loss, if any, which you incur, and payment of interest, if applicable. **EXCEPT AS REQUIRED BY LAW, WE WILL NOT BE LIABLE FOR ANY CONSEQUENTIAL, PUNITIVE, INDIRECT, OR SPECIAL DAMAGE THAT**

YOU INCUR IN CONNECTION WITH PAYMENT ORDERS, EVEN IF WE ARE AWARE OF THE POSSIBILITY FOR SUCH DAMAGES. We are not requiring you to waive any of your rights under federal or state consumer protection laws.

International Remittance Transfers

As permitted by us and applicable law, you may send international wire transfers for personal, family or household purposes (an “international remittance transfer”). For international remittance transfers, you will be provided with certain disclosures required by federal law during the transfer process, which include, among other disclosures, certain error resolution and cancellation rights. To the extent the provisions in this section are inconsistent with the disclosures provided to you for an international remittance transfer, the provisions of such disclosures at the time of transfer shall govern. See the *Account and Service Fee Schedule* for fees that may apply to international wire transfers.

Electronic Banking Services

We provide a variety of electronic fund transfer (“EFT”) services for your accounts. Please see the *Account and Service Fee Schedule* for fees that may apply to our EFT services. Note, our domestic and international wire services are not covered by the provisions of this *Electronic Banking Services* section. See *Domestic and International Wires* section for information on wires.

Types of EFT Services

Our EFT services include:

- Transactions that you make with your USAA ATM or debit card (“Card”);
- Electronic payments, transfers and credits that you make or receive via online banking, mobile banking and other electronic methods that we make available to you, including certain online bill pay transactions; and
- Certain transfers that you make by telephone.

The following summarizes what you can do with each of the EFT services listed here. Some of these activities may not be available with every Card or other Access Device, account, ATM or merchant terminal.

USAA ATM or Debit Card	
What you can do with this EFT service	You can perform the following transactions with your USAA ATM card or debit card, depending on the account type and services associated with your account: • Withdraw cash from linked or designated accounts at ATMs. • Make deposits to linked or designated accounts at certain ATMs that accept deposits to FSB accounts. • Transfer funds between linked or designated accounts at certain ATMs. • Obtain balance information for your linked or designated accounts. You also can perform the following transactions with the USAA debit card (but not your USAA ATM card), depending on the account type and services associated with your account: • Pay for purchases at merchants that have agreed to accept USAA's debit card or other Access Device. • Request cash back when making a purchase with certain merchants. • Initiate an electronic credit transfer through a merchant or other service provider. For example, when providing cash to a merchant in exchange for a credit to your account. • Pay bills. • Obtain cash from a teller at financial institutions that honor the USAA debit card. The financial institution may charge you a fee for this transaction. • Add your USAA debit card number to a digital wallet, payment application or mobile device in order to conduct certain transactions with participating merchants, or send and receive person-to-person payments. You may also be subject to additional terms and conditions by the provider of the digital wallet or the application that enables your mobile device to make transactions. Please notify us promptly if your mobile device containing your digital card number is lost or stolen. See the <i>Account and Service Fee Schedule</i> for fees that may apply to transactions with your Card, including at an ATM. When you use a non- USAA ATM, you may incur additional surcharges, usage fees or other fees by the ATM operator or network (and you may be charged a fee for a balance inquiry even if you do not complete a transaction).

USAA ATM or Debit Card (Continued)	
Limitations that apply	• Some transactions may not be available at certain ATMs. • We place limitations on the dollar amount and frequency of ATM cash deposits and withdrawals, debit card cash advances, debit card purchases, and debit card funding transactions using third-party payment services. See the <i>Account and Service Fee Schedule</i> for the current limits. • ATM transactions may also be subject to limits set by a non-USAA ATM operator or network. See the <i>Account and Service Fee Schedule</i> for additional information. • If your debit card or debit card number is used to initiate an electronic credit transfer, the frequency and dollar amount of those transfers may be limited by the applicable card network or service provider. The merchant or service provider may charge a service fee for this transaction. • We may suspend or terminate your Card at any time without cause or notice. • We have the right to refuse a transaction on your account when your Card has been reported lost or stolen, or when we reasonably believe there is unusual activity on your account. • Some ATMs may experience technical difficulties including a lack of sufficient cash to fulfill your withdraw request.
Foreign Transactions with Your Card	If you use your Card for withdrawals or purchases in a currency other than U.S. dollars, we charge your account for the U.S. dollar equivalent of the transaction. Note, this can occur even if you transact with a foreign merchant while you are present in the United States. Depending on the specific arrangements that are in place, the foreign exchange rate and calculation of the U.S. dollar equivalent will be done by the bank at which you conducted the transaction, the network to which the ATM belongs, the merchant or its network, or the Card association in accordance with its then current policies, which may also include fees for the transaction. The exchange rate in effect when the transaction is processed may be different from the rate in effect on the date of your transaction or the date it is posted to your account. We may impose a fee for these types of transactions. See the <i>Account and Service Fee Schedule</i> for fees that may apply. The foreign exchange rate may include a spread, commission and other costs, and may differ from rates quoted elsewhere. Fees may also apply if you use your Card for withdrawals or purchases in U.S. dollars with a merchant, financial institution, or ATM in a foreign country. See the <i>Account and Service Fee Schedule</i> for information.
Recurring Card Payments	If we issue you a new Card, the merchant with whom you set up a recurring or preauthorized payment may receive your new Card information to facilitate the continuation of your authorized recurring transactions. However, since not all merchants may receive this updated Card information, including any new Card number issued to you, it is your responsibility to inform the merchant of changes to your Card, including any changes to your Card number or expiration date or closure of your account. We are not responsible for any merchant fees or other charges you may incur by not informing the merchant of the Card update.

Electronic payments, transfers and credits	
What you can do with this EFT service	You may use the USAA Mobile App, usaa.com, or other electronic means as we may make available to pay bills, transfer funds, make deposits (credits) to your account and obtain information about your account. Examples of electronic transactions include: • Direct deposits, such as payroll or certain types of benefit payments to you; • One-time or recurring electronic bill payments that you preauthorize to be debited from your account; • Transfers you instruct us to make between your accounts; • Transfers to another member's account at FSB; and • Transfers to an account at another financial institution. Certain online and mobile banking services, such as USAA Pay Bills and Zelle®, are governed by separate terms and conditions, and supplement this Agreement. You receive the separate terms and conditions, which include any applicable transfer limits, at the time you enroll in the service. Electronic Check Conversion. You may also conduct an electronic check conversion. This occurs when you authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or to pay bills.
Limitations and Additional Terms and Conditions that May Apply	We place limitations on the dollar amount and frequency of certain types of transfers. See the <i>Account and Service Fee Schedule</i> for details. Parental controls established on an account can limit a minor's ability to transact on the account, including to make transfers, view accounts or make mobile deposits. We may conduct electronic payments, transfers and credits using the Automated Clearing House (ACH) network or similar networks. For each ACH transaction, you agree that the transaction is subject to the National Automated Clearing House Association (NACHA) Operating Rules and any local ACH operating rules then in effect. We may terminate your access to electronic payment, transfer and credit services for any reason, at any time, without notice, except when notice is required pursuant to either the Truth in Savings Act or the Electronic Fund Transfer Act.
Certain transfers that you make by telephone	
What you can do with this EFT service	You may use our interactive voice recognition system to complete certain self-service transactions such as retrieve account information, transfer funds, and make payments, once your identity is verified. The system can also route you to a Member Service Representative if assistance is needed.

Access Devices

You agree that we may issue you Access Devices. The Access Device may be an ATM card, debit card, code, Personal Identification Number ("PIN"), online ID, password or other means of identification and authentication, used to access your account or to initiate EFTs ("Access Device").

Use of Your Card or Other Access Device: You agree to use any Card or other Access Device we provide for access to your account only in the manner and for the purposes described in this Agreement and in any other applicable agreement. If you attempt to use the Card or Access Device in any other manner or for any other purpose, we may reject the transaction, or in our discretion, we may complete it without incurring any obligation to honor the same type of transaction on future occasions. We may decide not to issue a Card or Access Device to any person, and may terminate any Card or Access Device at any time without cause or notice.

By using your Card or other Access Device, you agree to the following terms:

- Your Card remains our property and you must return it to us upon our request.
- We may cancel or replace your Card at any time without notice.
- You will notify us promptly of the loss or theft of your Card or other Access Device.
- You will not reveal your Card number, PIN, account numbers, or Access Device to any person not authorized to use your Card or other Access Device. If you permit another person to use your Card, PIN, account number(s) or Access Device, you are responsible for all transactions conducted by that person (even if the person exceeds your authorization or even if you did not provide that person with an authorization to

conduct transactions on your Card or Access Device), until you notify us that the person is not authorized so that we may block unauthorized use of your Card or Access Device.

- You will not write your PIN on your Card or on any item kept with your Card or Access Device.
- You will not use your Card, other Access Device, or account for transactions involving unlawful internet gambling, illegal activities or any transaction prohibited by the Card networks, and we have the right to refuse a transaction or close your account if we reasonably believe your Card, other Access Device or account has been engaged in such activities. We may refuse to process any gambling transaction, whether lawful or not.

Safeguarding Your Information: You are responsible for maintaining the confidentiality of your account authentication credentials such as your PIN, username, password or token, for restricting access to your devices capable of accessing your accounts, and for protecting your Access Devices from unauthorized use. If you provide this information or your Access Devices to another person, any account or transaction activity by that person, or others who may receive your information due to your sharing, may be deemed authorized activity and you may be held responsible for that activity. You agree to notify us promptly of any unauthorized use of your information or breach of security. You also agree to notify us promptly if the mobile device, Access Device or other device used to access your account is lost or stolen. We may terminate your EFT access to protect your interest or our interest at any time.

Records of Your Transactions

Receipts: You can get a receipt at the time you make any transfer to or from your account using one of our ATMs or from a merchant terminal. However, you may not receive a receipt for small dollar transactions from a merchant terminal. If there is a conflict between the receipt and our records, our records will control.

Preauthorized Credits: If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can go to the USAA Mobile App, usaa.com or call us at the telephone number shown on the *Account and Service Fee Schedule* to find out whether or not the deposit has been made.

Periodic Statements: You will get a monthly account statement unless there are no electronic fund transfers in a particular monthly cycle. In any case, we will send you the statement at least quarterly. See the *Statements and Notices provision* in the *Using Your Account* section of this Agreement for more information about your account statement.

Your Liability for Unauthorized Transfers

Tell US AT ONCE if you believe your ATM card, debit card, PIN or other Access Device has been lost, stolen, or used by an unauthorized person, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Contacting us immediately by phone is the best way of keeping your possible losses down. You could lose all the money in your account, plus if you have Overdraft Protection, any transfers from a protecting deposit account or credit card account.

If you tell us within **two Business Days** after you learn of the loss or theft, you can lose no more than \$50 if someone used your Card or other Access Device without your permission. However, you could lose as much as \$500 if:

- You do **NOT** tell us within two Business Days after you learn of the loss or theft of your Card or other Access Device; and
- We can prove we could have stopped someone from using your Card or other Access Device without your permission if you had told us.

Also, if your statement shows an electronic fund transfer that you did not make, including those made by Card, code, or other means, tell us at once. If you do not tell us within 60 days after the statement was provided to you, you may not get back any money you lost after the 60 days if we can prove that it could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods for claims of unauthorized transfers.

Contact us in the event of an unauthorized transfer. If you believe your Card or other Access Device has been lost or stolen, call the phone number or write the address shown on the *Account and Service Fee Schedule*. You may also contact us on the USAA Mobile App or usaa.com. You should also call the number or write to the address listed on the *Account and Service Fee Schedule* or contact us via the USAA Mobile App or at usaa.com if you believe a transfer has been made using the information from your check without your permission.

Stop Payment of Preauthorized Payments

Right to Stop Payment and Procedure for Doing So: If you have told us in advance to make regular payments out of your account or if you have authorized someone to debit your account on a recurring basis through the ACH system, your Card, or any other electronic fund transfer, you can stop any of these payments by calling or writing to us. See our contact information in the *Account and Service Fee Schedule*.

- You must notify us in time for us to receive your request **three Business Days** or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after your call.
- We will ask you for identifying information of the payment you would like to have stopped, such as the exact amount of the payment.
- Your stop payment order will be effective until you cancel it. However, if we require written confirmation and do not receive it, we may remove the oral stop payment order after 14 days.

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

Liability for Failure to Stop Payment of Preauthorized Transfer: If you order us to stop a preauthorized payment three Business Days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Unless otherwise provided in this Agreement, you may not be able to place a stop payment on certain electronic fund transfers, including a one-time point of sale transaction.

FSB Liability for Failure to Make Transfers

If we do not complete an electronic fund transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages.

However, there are some exceptions. We are not liable, for instance, if:

- Through no fault of us, you do not have enough Available Balance in your account to make the transfer.
- The transaction amount would exceed the funds available in your overdraft protection protecting account.
- Circumstances beyond our control (such as fire or flood) prevent the transfer, despite any reasonable precaution that we have taken.
- The ATM, terminal, or system was not working properly and you knew about the breakdown when you started the transfer.
- The ATM where you are making the transfer does not have enough cash.
- The funds are subject to Legal Process or other restriction.
- An account becomes dormant or inactive, in which case we may terminate the Card or other Access Device for that account.
- Your Card or other Access Device has been revoked due to inactivity or at our discretion.

Error Resolution Procedure

In case of errors or questions about your electronic fund transfer, contact us as soon as you can through the USAA Mobile App, usaa.com or call or write to us as shown on the *Account and Service Fee Schedule* if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we have sent you the FIRST statement on which the problem or error appeared. When you contact us, please provide the following information:

- 1) Your name and account number,
- 2) A description of the error or the transfer you are unsure about,
- 3) A clear explanation of why you believe it is an error or why you need more information, and
- 4) The dollar amount of the suspected error.

If you tell us orally, we may require that you send your complaint or question in writing within 10 Business Days.

We will determine whether an error occurred within 10 Business Days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within 10 Business Days for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and do not receive it within 10 Business Days, we may not credit your account.

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

We will tell you the results within three Business Days after completing its investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of any documents that we used in our investigation.

ATM and Debit Card Tips

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

Protecting Your ATM or Debit Card and PIN:

- Always sign the back of your new Card as soon as you receive it. Immediately destroy any old Cards.
- Always protect your Card just as you would cash, checks, or credit cards. Keep your Card in a safe place. If your Card is lost or stolen, contact us immediately.
- Always protect your PIN. Never give your PIN to anyone and or write down your PIN anywhere, especially on your Card or anything you carry near your card (such as another piece of paper in your wallet). If you choose your own PIN, avoid using obvious numbers such as telephone numbers, addresses, or birth dates.
- Never give information about your Card or PIN over the telephone. If someone is asking for this information, refuse and immediately notify us.
- Make sure all internet purchases are secured with encryption to protect your account information. Look for a “secure transaction” symbol – generally a small icon such as a padlock.
- Always be sure to log off any site after making a purchase with your Card. If you cannot log off, shut down your browser to help prevent unauthorized access to your account information.
- Never send your Card number or PIN through email, as it is typically not secure.
- Never provide anyone with the security codes printed on your Card unless you initiated the transaction and the codes are required to complete the transaction.

Using an ATM:

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

Other Terms and Conditions

Circumstances Beyond Our Control

We are not liable to you if circumstances beyond our reasonable control prevent us from, or delay us in performing our obligations for a service under this Agreement, including acting on a payment order, crediting a deposit or transfer to your account, or processing a transaction. Circumstances beyond our reasonable control include, but are not limited to: severe weather, including snow or ice storm; a natural disaster, such as a tornado, hurricane, earthquake, or flood; emergency conditions, such as a war, terrorist attack, pandemic, riot, fire, theft, or labor dispute; a legal constraint or governmental action or inaction; the breakdown or failure of our equipment for any reason, including a loss of electric power; the breakdown of any private or common carrier communication or transmission facilities, any time-sharing supplier, or any mail or courier service; the potential violation of any guideline, rule, or regulation of any government authority; suspension of payments by another financial institution; or your act, omission, negligence, or fault. This provision is not intended or actually requiring you to waive any rights under federal or state consumer protection law.

We are not liable for special, incidental, exemplary, punitive, or consequential losses or damages of any kind.

Conflicting Claims About Your Account

If there are conflicting instructions or there is any dispute regarding your account, we may take any action, including: honoring the competing claim upon receipt of evidence satisfactory to us to justify such claim; freezing all or part of the funds and/or refusing transactions until the dispute is resolved to our satisfaction; continuing to rely on any current signature cards and other account documents; closing the account and dispensing the balance in the account

to you or to each claimant, subject to any amounts owed to us. We may also pay the funds into an appropriate court for resolution. If any person notifies us of a dispute, we are not required to determine whether a dispute has merit in order to exercise any of the rights set out above. We will not be liable to you for taking any such actions. We may take these actions without advance notice, unless otherwise required by law. You are liable for all expenses and fees we incur, including attorneys' fees, and we may charge them to your account.

Death or Incompetence

You agree to notify us promptly if any account owner or Authorized Signer on your account dies or is declared incompetent by a court. We may continue to honor checks, items and instructions and accept deposits until we have actual notice of the death/ incompetency and a reasonable period of time to act on such notice. Upon receipt of notice, we may place a hold on your account and refuse to accept deposits or to permit withdrawals. We may require documentation of death or incompetency acceptable to us in our discretion. We may retain funds in your account until we know the identity of the successor. If a deposit – including salary, pension, VA Benefit, Social Security, and Supplemental Security Income (SSI) – payable to the deceased account owner is credited to the account after the date the deceased account owner died, we may debit the account for the deposit and return it to the payor. For account owners or Authorized Signers who reside outside of the United States at the time of incompetence or death, we reserve the right to require United States court documents or a United States court of competent jurisdiction to appoint someone to represent you or your estate.

Inactive and Abandoned Accounts

If we consider your account inactive, we reserve the right, in our sole discretion, to refuse to pay items from the account and to stop sending statements. Fees and charges for inactive accounts are the same as active accounts. We will not reimburse any charges for inactive accounts that later become active. We may be required by law to turn over (escheat) account funds considered abandoned for a specified period of time to the appropriate state. If we send the funds to the applicable state, we will have no other liability to you for the funds, and you will need to file a claim with that state to attempt to recover the funds.

Indemnification and Limitation of Liability

Except as required by law, you agree to indemnify, defend and hold us harmless from all claims, actions, proceedings, fines, costs and expenses (including, without limitation, attorney fees) we may incur with respect to overdrafts or returned items or otherwise in connection with your account. This indemnification provision shall survive the termination of this Agreement. **EXCEPT AS REQUIRED BY LAW, WE WILL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES, EVEN IF YOU ADVISE US OF THE POSSIBILITY OF SUCH DAMAGES.** This provision is not intended to or actually requiring you to waive any rights under federal or state consumer protection laws.

Legal Process

In accordance with applicable law, you agree that we are authorized to accept and comply with any Legal Process that we receive relating to you or your account. However, we may be restricted or prohibited from satisfying a Legal Process based on applicable law. We may hold or turn over funds or other property to the court, creditor or other entity as directed by the Legal Process. Applicable law may not require us to pay interest on the funds during the period we hold them. We may charge your account a Legal Process Fee for each act we take in response to a Legal Process, and we may deduct this fee from any of your accounts without prior notice to you. See the *Account and Service Fee Schedule* for fee information. Our cutoff time for receipt of any Legal Process is 10 a.m. Central Time on a Business Day. Any Legal Process received after this cutoff time may not be processed until the following Business Day.

Any Legal Process against your account is subject to our right of setoff and any security interest we have in the account, subject to applicable law. It is possible that we may not pay items because we have withdrawn funds from your account or restricted your access to funds because of a Legal Process.

Setoff and Security Interest

Subject to applicable law, we may exercise our right of setoff against any or all of your accounts, including accounts you own with others, at any time, without notice, for any direct or indirect obligation owed to us, whether arising from our fees or charges, overdrafts, attorneys' fees, or any other obligation owed. If the account is a joint account, each account owner authorizes us to exercise our right of setoff against any and all accounts of each account owner. We are not liable to you for dishonoring items where a setoff results in insufficient funds in your account. If we exercise our right of setoff against a CD that has not yet matured, we may charge an early withdrawal penalty in the amount described in the *Account and Service Fee Schedule*. The right of setoff does not apply if the debt is created under a USAA credit card. **You expressly agree that our right of setoff extends to any federal or state benefit payments (including Social Security benefits) deposited electronically into your account.** You understand and agree that if you do not want your benefits applied in this way, you may change your direct deposit instructions to the benefits payor at any time. In addition to the right of setoff, you grant us a security interest in your account for amounts owing to us under this Agreement by any account owner.

FDIC Recordkeeping for Accounts with Beneficial Owners

The Federal Deposit Insurance Corporation (FDIC) requires that we maintain certain information about deposit accounts to enable accurate calculation of FDIC insurance coverage for all account holders in the unlikely event of a bank failure. In certain situations, such as when you name a trust or other entity as a beneficiary for your account, or when a formal trust is the account holder, we'll generally ask you to provide the information necessary to enable the calculation. If you fail to provide the information requested, you're responsible for providing any required information to the FDIC in the unlikely event of bank failure. In such a situation, access to your accounts and payment of any deposit insurance are determined by the FDIC and may be delayed until the FDIC has completed its insurance determination.

Prohibited Transactions

If we believe a transaction is prohibited or involves any type of illegal activity, we may refuse to process the transaction, freeze your account, or close your account. You agree that you will not use your account or any account-related services, including electronic fund transfers, wire transfers, checks, or Card, to engage in or fund illegal activity. You further agree you will not use your account to participate in any unlawful internet gambling transactions. We may refuse to process any gambling transaction, whether lawful or not.

Sub-Accounts

You authorize us, for accounting purposes, to have all checking accounts consist of two sub-accounts: 1) a transaction sub-account where all deposits, withdrawals, and fees are posted, and 2) a holding sub-account, where available balances above a certain level are transferred daily. We may, in our discretion, transfer funds between these sub-accounts. All balances in the holding sub-account may be transferred to the transaction sub-account with the sixth transfer in any calendar month or monthly statement period. Both sub-accounts are treated as a single account for purposes of your deposits and withdrawals, earning interest, access and information, tax reporting, fees, etc.

Section Headings

The headings in this Agreement are only for convenience and do not in any way limit or define your or our rights or obligations under this Agreement.

Phone Calls / Electronic Communications

To the extent permitted by applicable law, you consent to our communicating with you at any email address or phone number you provide to us or an affiliate of FSB, including your mobile phone number. You agree to receive our calls and messages, such as text messages or prerecorded or autodialed calls. Your service provider may charge you fees for these calls/messages. We may monitor or record your conversations with us. We do this for quality control and archival purposes. You are responsible for obtaining and maintaining all telecommunications, computer hardware, equipment and services needed to access and use your account via online and mobile, and paying all related charges.

Waiver and Severability

We reserve the right to waive or delay enforcing any of our rights under this Agreement. If we waive or delay enforcement of a right under this Agreement, it does not mean that the waiver or delay will apply to future situations or other provisions. For example, if we waive a fee in one situation, we reserve the right not to waive that fee should the situation recur. If any part of this Agreement is held to be invalid or unenforceable under any rule, law or regulation, the validity or enforceability of remaining provisions shall remain in full force and effect.

Arbitration and Waiver of Class Action

Please read this *Arbitration and Waiver of Class Action* section carefully.

IF YOU AND FSB ARE UNABLE TO RESOLVE A DISPUTE, YOU AND FSB AGREE THAT UPON ELECTION BY EITHER YOU OR FSB, ANY COVERED CLAIM SHALL BE RESOLVED BY ARBITRATION ON AN INDIVIDUAL BASIS ACCORDING TO THE TERMS OF THIS *ARBITRATION AND WAIVER OF CLASS ACTION* SECTION. ACCORDINGLY, YOU AGREE TO WAIVE YOUR RIGHT TO A TRIAL BY A JUDGE OR JURY OR TO PARTICIPATE IN A COLLECTIVE OR CLASS ACTION AGAINST FSB IN CONNECTION WITH ANY COVERED CLAIM. THIS *ARBITRATION AND WAIVER OF CLASS ACTION* SECTION SHALL BE GOVERNED BY THE FEDERAL ARBITRATION ACT, AND TO THE EXTENT THAT LOCAL LAW APPLIES, BY THE LAWS OF THE STATE OF TEXAS.

What is arbitration?

Arbitration is a method of resolving disputes without filing a lawsuit in court. In arbitration, parties present their dispute to a neutral third person – called an arbitrator – instead of a judge or jury. Generally, arbitration is faster, less expensive and simpler than a lawsuit in court. Arbitrators apply the same laws and can award the same remedies as a court, and parties have the right to be represented by attorneys in arbitration.

Which claims or disputes are subject to arbitration?

Covered Claims must be arbitrated if either you or FSB elect arbitration. A Covered Claim is any pre-existing, present, or future claim, dispute or controversy between you and FSB concerning a deposit account covered by this Agreement

(a “Covered Claim”). The term “Covered Claim” is intended to be broadly interpreted, and includes, but is not limited to, claims:

- arising out of or relating to any aspect of the relationship between you and FSB, whether based on contract, tort, fraud, misrepresentation, or any other statutory or common-law legal theory, regardless of the remedy sought or whether the claim pertains to this Agreement or a prior or future version of it;
- relating to advertising or disclosures for any of FSB’s products or services;
- relating to your past, present, or future accounts, including the establishment, operation, servicing, collections, or termination of your accounts, transactions involving or relating to your accounts, or any products, services, or benefits offered in connection with your accounts;
- relating to the retention, protection, use, or transfer of information about you or any of your accounts for any of our products or services;
- relating to communications with you concerning your accounts or any of our products or services, including emails and automatically dialed calls and text messages;
- claims that may arise after the termination of this Agreement; and
- relating to the interpretation of “Covered Claim,” or the enforceability, scope or interpretation of this *Arbitration and Waiver of Class Action* section.

Is there an alternative to arbitration?

Instead of proceeding to arbitration, either you or FSB have the option to pursue a Covered Claim on an individual basis in a Small Claims Court (or the equivalent) as long as the action remains in that court, does not seek relief on behalf of or affecting the accounts of other customers, and is not removed or appealed to a court of general jurisdiction, in which case either party may elect arbitration.

Who administers the arbitration?

All arbitrations will be conducted by the American Arbitration Association (“Administrator”) in accordance with the Administrator’s Consumer Arbitration Rules (“Administrator’s Rules”), as modified by this Arbitration agreement. You may contact the Administrator to obtain arbitration information, the Administrator’s Rules, and any claim forms and fee schedules:

American Arbitration Association (“AAA”)
335 Madison Avenue, Floor 10
New York, NY 10017-4605
www.adr.org
1-800-778-7879

If the Administrator is unable to administer the arbitration, it shall be administered by such other administrator as you and FSB agree or that is selected by a court of competent jurisdiction.

How does arbitration start?

If you choose to begin arbitration, you must contact the Administrator, follow the procedures set forth in the Administrator’s Rules and notify FSB at:

USAA Federal Savings Bank
Attention: General Counsel
10750 McDermott Freeway
San Antonio, Texas 78288

If FSB chooses to begin arbitration, FSB will notify you either at your last physical address contained in its records or if you are represented by an attorney, at the attorney’s address.

Who pays the Administrator’s fees?

FSB will pay any arbitration fees charged by the Administrator associated with arbitration proceedings. Except as provided by applicable law, you are responsible for paying your own attorney’s fees, expert and witness fees, and any other expenses associated with the arbitration.

Where will the arbitration take place?

The arbitration shall be conducted in the county where you reside, unless you and FSB agree on a different location. The arbitration proceedings shall be conducted by telephone or video conference unless the arbitrator decides that an in-person hearing or desk arbitration is appropriate.

How does the arbitration work?

An arbitrator will be chosen in accordance with the Administrator’s Rules. As to questions arising under federal law, the arbitrator must decide Covered Claims based on the substantive applicable law of the federal judicial district and circuit where the arbitration is pending. As to questions arising under state law, the arbitrator must decide Covered Claims based on the substantive applicable law of the state in which the arbitration is pending, or if required by applicable

law, where the controversy arose. In any event, the applicable law will include statutes of limitation and evidentiary privileges. The arbitrator may hear dispositive motions. The arbitrator may award the same individualized remedies (including punitive and statutory damages and statutory attorneys' fees and costs) that a court could award under applicable law. The arbitrator may consider rulings in other arbitrations, but an arbitrator's ruling will not be binding in proceedings involving different customers. The arbitrator will issue a reasoned written decision sufficient to explain the findings and conclusions on which the award is based. The decision and judgment by the arbitrator shall be final, binding and enforceable in any court having jurisdiction, subject to judicial review under the Federal Arbitration Act, 9 U.S.C. §§ 10-11.

Can a decision by the arbitrator be appealed?

If the damages awarded to either you or FSB in an arbitration exceeds \$100,000 (not counting amounts sought for attorneys' fees or costs), then the following additional procedures apply. Either you or FSB may appeal the final award to a three-arbitrator panel pursuant to the AAA's Optional Appellate Rules by providing written notice within 30 days of the award. The person appealing the decision (the appellant) shall pay all fees and costs for the appeal unless the panel determines that the appellant is the prevailing party, in which case the panel shall have the discretion in its final award to reallocate the fees and costs as justice or otherwise applicable law requires. If there is a cross-appeal, the costs shall be borne equally by both sides, subject to reallocation by the panel in its final award as justice or otherwise applicable law requires.

What is the waiver of class action?

You cannot pursue any type of collective action or class action against FSB in court or in arbitration, including as follows:

- The arbitrator shall not have the authority to conduct any class-wide, representative, or private attorney general arbitration proceedings or to consolidate or join together any Covered Claims you and FSB have against each other with any claims or disputes you or FSB may have with other persons, unless you and FSB both consent in writing or the claims are brought by the co- or joint account owners of that account.
- You will not have the right to act as a class representative or participate as a member of a class action with respect to any Covered Claim as to which arbitration has been elected.
- The arbitrator may award relief (including, declaratory relief, and injunctive relief) only in favor of the individual party seeking such relief.

If, after exhaustion of all appeals, any of these prohibitions on non-individualized relief; class, representative, and private attorney general claims; or consolidation is found to be unenforceable with respect to a particular claim or a particular remedy (such as a request for injunctive relief), then that claim or that remedy—and only that claim or that remedy— shall be decided by a court after all other claims or requests for remedies are arbitrated.

Military Lending Act

If you are a covered member of the armed forces or the dependent of a covered member within the meaning of the Military Lending Act and your Covered Claim under this Agreement involves an extension of consumer credit under that Act, then you are not required to arbitrate disputes.

Right to Resort to Provisional Remedies Preserved

Nothing herein will be deemed to limit or constrain our right to resort to self-help remedies, such as the right of setoff or the right to restrain funds in an account, to interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, or to comply with Legal Process, or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies.

Severability and Survival of Terms

If any provision in this Arbitration and Waiver of Class Action section is found to be invalid, unenforceable, or inapplicable by the arbitrator or a court of competent jurisdiction, the remaining provisions of this *Arbitration and Waiver of Class Action* section will remain in full force and effect notwithstanding the invalid, unenforceable, or inapplicable provision. The provisions of this section shall survive the termination of the Agreement, your accounts with us, or your relationship with us.

Glossary

Authorization Hold: Occurs when we approve a request from a merchant or financial institution to authorize a transaction you make with your debit card and we place a hold on your funds in the amount requested. An Authorization Hold is a pending transaction.

Authorized Signer: A person who is not an account owner and has actual or apparent authority to use the account, including depositing, withdrawing, or exercising control over the funds in the account.

Automated Clearing House ("ACH"): An electronic fund transfer system or network governed by the rules of a clearing house association, such as NACHA (National Automated Clearing House Association) or The Clearing House, that provides fund transfer services to participating financial institutions. ACH transactions include electronic deposits to or withdrawals from your account made through the ACH network, such as certain direct deposit of payroll, pension or governmental benefits or bill payments you authorized with a merchant.

Available Balance: Your available balance is the amount of funds in your account that we determine is available to authorize or pay items.

Business Day: For purposes of this Agreement, FSB's business days are Monday through Friday, excluding federal holidays.

Credit: A deposit to your account.

Debit: A withdrawal, payment or transfer from your account.

Item: An item is any order, instruction, or authorization to debit funds from or credit funds to an account. Examples include, but are not limited to, a check, draft, ACH transaction, ATM withdrawal or transfer, transaction using a Card, fee, wire transfer, online or mobile transfer, remote check deposit, and bill payment. An item that has been declined or returned unpaid and subsequently resubmitted or re-presented for payment is considered a new item. An item also includes any purported order, instruction, or authorization to debit funds from or credit funds to an account, unless otherwise prohibited by law or regulation.

Legal Process: A subpoena, restraining order, injunction, writ of attachment or execution, levy, lien, garnishment, tax levy or withholding order, search warrant, forfeiture, seizure, government agency request for information or other similar order relating to you or your account.

Overdraft Item: An item that causes an overdraft.

Substitute Check: To make check processing faster, federal law permits banks to replace original checks with "Substitute Checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a Substitute Check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a Substitute Check as proof of payment just like the original check.

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

1-800-531-USAA (8722)
(TTY:711/TRS)
usaa.com

Member FDIC

93111-0725



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

ACCOUNT AND SERVICE FEE SCHEDULE

USAA FEDERAL SAVINGS BANK

Effective July 1, 2025

Table of Contents

Introduction

02 Overview

Checking Accounts

03 USAA Classic Checking

03 USAA Youth Spending

Savings Accounts

04 USAA Savings

04 USAA Youth Savings

04 USAA Performance First Savings

Certificate of Deposit (CD) Accounts and IRA CD / IRA Money

Market Savings (MMS) Accounts

05 Fixed Rate CD

05 Adjustable Rate CD

05 Variable Rate CD

07 IRA CD / IRA MMS

08 CD Early Withdrawal Penalties

Account Service Fees

09 Overdraft / Non-Sufficient Funds Fees

11 Miscellaneous Fees

Transaction and Transfer Limits

12 USAA ATM / Debit Cards

13 Online / Mobile

Contact Us

14 How to Contact Us

Overview

This Account and Service Fee Schedule (“Schedule”) is part of the Depository Agreement and Disclosures between you and USAA Federal Savings Bank (“FSB”). This Schedule provides information about FSB deposit accounts and fees associated with FSB deposit accounts and services.

FSB may change the accounts, services and fees described in this Schedule at any time. For example, FSB may add or delete terms and conditions or add or discontinue accounts and services. See the *Changes to the Agreement* provision of the Depository Agreement and Disclosures for more information. You can find definitions of defined terms in the Depository Agreement and Disclosures.

You can get information about services not covered in this Schedule by contacting us. Refer to the *How to Contact Us* provision in this Schedule for ways to reach us.

Checking Accounts

Account	Minimum Amount to Open Account	Monthly Service Charge	Eligibility	Optional Account Features/Services	Other Important Account Information
USAA Classic Checking	\$25	No monthly service fees	Account owners under age 18 must have an adult joint account owner	• Online banking at usaa.com • Deposit@Mobile^{®1, 2} for qualified account owners • USAA debit card • Overdraft Protection from your eligible linked FSB bank account or USAA credit card	• Earn interest on the days you maintain a minimum balance of \$1,000 or more • Variable interest rate that may change at any time • Go to usaa.com or contact us for current rates
USAA Youth Spending	\$25	No monthly service fees	Account owners under age 18 must have an adult joint account owner	• Online banking at usaa.com • Deposit@Mobile^{®1, 2} for qualified account owners • Online banking and Deposit@Mobile^{®1, 2} available for youth starting at age 13 • USAA debit card • Overdraft Protection from your eligible linked FSB bank account or USAA credit card • Parental controls are available for parent or legal guardian joint account owners to permit and restrict certain online and mobile banking activities; please see usaa.com for details	• Earn interest on the days you maintain a minimum balance of \$1,000 or more • Variable interest rate that may change at any time • Go to usaa.com or contact us for current rates • Account converts to USAA Classic Checking automatically when minor reaches age 18; when account converts, parental controls are removed and the Standard Overdraft setting is automatically applied. Please see the <i>Overdraft Policy</i> in the <i>Depository Agreement and Disclosures</i> for details.

Savings Accounts

Account	Minimum Amount to Open Account	Monthly Service Charge	Eligibility	Optional Account Features/Services	Other Important Account Information
USAA Savings	\$25	No monthly service fees	Account owners under age 18 must have an adult joint account owner	• Online banking at usaa.com • Deposit@Mobile^{®1,2} for qualified account owners • USAA ATM card • Overdraft Protection from your eligible linked FSB bank account or USAA credit card	• Earns variable interest rate that may change at any time • Go to usaa.com or contact us for current rates
USAA Youth Savings	\$25	No monthly service fees	Account owners under age 18 must have an adult joint account owner	• Online banking at usaa.com • Deposit@Mobile^{®1,2} for qualified account owners • Online banking and Deposit@Mobile^{®1,2} available for youth starting at age 13 • USAA ATM card • Overdraft Protection from your eligible linked FSB bank account or USAA credit card • Parental controls are available for parent or legal guardian joint account owners to permit and restrict certain online and mobile banking activities; please see usaa.com for details	• Earns variable interest rate that may change at any time • Go to usaa.com or contact us for current rates • Account converts to USAA Savings automatically when minor reaches age 18; parental controls are removed when account converts
USAA Performance First Savings	\$1,000	No monthly service fees	Account owners under age 18 must have an adult joint account owner	• Online banking at usaa.com • Deposit@Mobile^{®1,2} for qualified account owners • USAA ATM card • Overdraft Protection from your eligible linked FSB bank account or USAA credit card	• Earns variable interest rate that may change at any time • Go to usaa.com or contact us for current rates

Certificate of Deposit (CD) Accounts

Account	Minimum Amount to Open Account	Eligibility	Account Features/Services	Other Important Account Information
Fixed Rate CD	Standard CD: \$1,000 Jumbo CD: \$95,000 Super Jumbo: \$175,000 These are also the minimum balance amounts	Account owners under age 18 must have an adult joint account owner	- Interest rate is fixed until the maturity date - Terms available from 91 days (from 30 days for Jumbo and Super Jumbo CDs) to 7 years - Automatically renews - Interest accumulates automatically or can be paid to another eligible account electronically	- No additional deposits permitted during the term of CD - A penalty may apply for early withdrawals; see <i>CD Early Withdrawal Penalties</i> in this Schedule for early withdrawal penalties - Withdrawals will reduce earnings
Adjustable Rate CD	Standard CD: \$1,000 Jumbo CD: \$95,000 Super Jumbo: \$175,000 These are also the minimum balance amounts	Account owners under age 18 must have an adult joint account owner	- Interest rate is fixed until the maturity date - You may elect to adjust the interest rate one time during the term of the CD to the then-current interest rate in effect for same type and term of Adjustable Rate CD - Adjustable Rate CD available for terms of 3, 4, 5, or 7 years - Automatically renews - Interest accumulates automatically or can be paid to another eligible account electronically	- A one-time additional deposit is permitted during the term of CD when you elect to adjust the interest rate - Interest rate adjustment is limited to 2% over the original rate - A penalty is imposed for early withdrawals; see <i>CD Early Withdrawal Penalties</i> in this Schedule for early withdrawal penalties - Withdrawals will reduce earnings
Variable Rate CD	\$250 This is also the minimum balance amount	Account owners under age 18 must have an adult joint account owner	- Variable interest rate - We may change the interest rate and annual percentage yield on your CD at any time, in our discretion - Terms available for 182 days or 1 year - Automatically renews - Interest accumulates automatically or can be paid to another eligible account electronically	- Additional deposits are permitted during the term of CD but will not extend the maturity date - A penalty is imposed for early withdrawals; see <i>CD Early Withdrawal Penalties</i> in this Schedule for early withdrawal penalties - Withdrawals will reduce earnings

Certificate of Deposit (CD) Accounts (Continued)

Account	Minimum Amount to Open Account	Eligibility	Account Features/Services	Other Important Account Information
USAA Secured CD - Variable Rate	\$250 - \$5,000	- Account owner must be the individual named on the USAA secured credit card - Available only to USAA secured credit card holders	- Variable interest rate - We may change the interest rate and annual percentage yield on your CD at any time, in our discretion - CD is a 2-year term - CD automatically renews for a new 2-year term on the maturity date	- Issued as security for your USAA secured credit card - Withdrawals are not generally allowed. If we, in our sole discretion, permit a withdrawal, the withdrawal will reduce earnings - Withdrawals may result in closing your USAA secured credit card account - If your USAA secured credit card is closed for any reason, we will close your USAA Secured CD account - If your USAA secured credit card is upgraded or converted, FSB will release its security interest in the secured CD and will set the secured CD to close at the end of the current secured CD term. You may elect to close the secured CD prior to the end of the current term by contacting us and requesting that the secured CD be closed early.

IRA CD / IRA MMS Accounts

Account	Minimum Amount to Open Account	Eligibility	Account Features/Services	Other Important Account Information
IRA CDs (IRAs are only available for existing FSB IRA owners and eligible IRA beneficiaries.)	Standard IRA CD: \$250 Jumbo IRA CD: \$95,000 Super Jumbo IRA CD: \$175,000 These are also the minimum balance amounts.	Account owner must be an individual	• IRAs can be a Fixed, Adjustable, or Variable Rate CD • Fixed Rate CD terms available from 1 year to 7 years • Adjustable Rate CD available for terms of 3, 4, 5, or 7 years • Variable Rate CD terms available from 182 days to 5 years • Automatically renews • Interest accumulates automatically or can be paid to another eligible account electronically	• See information on non-IRA CDs • See the <i>USAA Traditional / Roth IRA Disclosure Statements and Custodial Agreements</i> for additional information and restrictions • See <i>CD Early Withdrawal Penalties</i> in this Schedule for early withdrawal penalties
IRA Money Market Savings (IRAs are only available for existing FSB IRA owners and eligible IRA beneficiaries.)	\$250 This is also the minimum balance amount.	Account owner must be an individual		• Earns variable interest rate that may change at any time • Go to usaa.com or contact us for current rates • See the <i>USAA Traditional / Roth IRA Disclosure Statements and Custodial Agreements</i> for additional information and restrictions

CD Early Withdrawal Penalties

CD Term	Early Withdrawal Penalty
30 days or fewer	30 days simple interest on the principal amount withdrawn
More than 30 days and up through 1 year	90 days simple interest on the principal amount withdrawn
More than 1 year but fewer than 5 years	180 days simple interest on the principal amount withdrawn
5 years or more	365 days simple interest on the principal amount withdrawn

For fixed and adjustable rate CDs, we apply the interest rate in effect at the time of the withdrawal to calculate the amount of the early withdrawal penalty. For variable rate CDs, we apply the daily average interest rate from the date the CD was opened or the date of the last renewal, as applicable, to calculate the amount of the early withdrawal penalty.

Secured CD:

Limited penalty for early withdrawals is equal to 7 days' interest for withdrawals within 6 days of any deposit or within 6 days of any partial withdrawal.

We deduct the early withdrawal penalty from the CD account's earned interest first, and then we deduct any remaining early withdrawal penalty from the principal amount of the CD account.

Overdraft / Non-Sufficient Funds Fees

Fee Name / Description	Fee Amount	Other Important Information About This Fee
Non-Sufficient Funds Fee	FSB does not charge this fee.	FSB does not charge a non-sufficient funds fee for an item it declines or returns unpaid when FSB determines that your account's Available Balance isn't enough to pay the item.
Overdraft Fee (appears on your statement as OD Fee — Item Paid)	\$29.00 (Maximum of 1 Overdraft Fee per day, per account)	- Applies to each item that FSB pays when FSB determines that your account's Available Balance isn't enough to pay the item. See the <i>Overdraft Policy</i> provision in the <i>Depository Agreement and Disclosures</i> for more information on when Overdraft Fees apply. - We charge a maximum of one Overdraft Fee per day, per account. - We do not charge an Overdraft Fee if your account is overdrawn by \$50 or less after all transactions have processed at the end of the Business Day, and we do not charge an Overdraft Fee for individual items of \$5 or less ("<i>USAA Overdraft Fee Cushion</i>"). - See the <i>Overdraft Fee Refund Window</i> provision in the <i>Depository Agreement and Disclosures</i> for information on how to qualify for a refund of an Overdraft Fee charged to your account.
Overdraft Protection Transfer Fee	FSB does not charge this fee.	- Overdraft Protection advances from a USAA credit card are considered cash advances under the terms of the credit card agreement. Refer to your credit card agreement for interest, fees and charges associated with credit card cash advances. - See <i>Depository Agreement and Disclosures</i> for more information about Overdraft Protection.

USAA ATM and Debit Card Fees

Fee Name / Description	Fee Amount	Other Important Information About This Fee
ATM Service Fee	FSB does not charge this fee.	• ATM surcharge, usage or other fees by non-USAA ATM operators or networks may apply. See the ATM Rebate section for more information.
Foreign Transactions Fee	1% of the U.S. Dollar Amount of the Transaction. Applies to debit card purchases, non-ATM cash withdrawals and ATM cash withdrawals: • In currency other than U.S. dollars; or • In U.S. dollars with a merchant, financial institution, or ATM in a foreign country	• For information on exchange rates, refer to the <i>Depository Agreement and Disclosures</i>. • Transactions made online or by telephone in the U.S., with a merchant who processes the transaction in a foreign country or in currency other than U.S. dollars, may be subject to Foreign Transactions Fees.

ATM Rebate

When you use a non-FSB ATM outside of our preferred network, you may also incur surcharge, usage or other fees by the ATM operator or network. FSB refunds up to \$10 per monthly statement cycle in non-FSB ATM surcharge or usage fees for transactions made at non-FSB ATMs. We will only refund a surcharge or usage fee if the ATM owners or networks properly identify the surcharge or usage fees in the information they send to us.

Miscellaneous Fees

Fee Name / Description	Fee Amount	Other Important Information About This Fee
Stop Payment Fee (appears on your statement as Stop Pay Fees)	\$29 / Order	FSB charges this fee for each stop payment order, including renewals. (Note: FSB does not charge this fee for stop payments on preauthorized electronic fund transfers.) Fees may be combined on your statement if you incur multiple Stop Payment Fees in a single day.
Official/Teller's Check Fee (appears on your statement as Official Check Fee)	\$10 / Item	- Fee applies to each official/teller's check request. - One no-fee check per member each calendar year.
Legal Process Fee	Up to \$100 each occurrence	Fee applies to the processing of any attachment, garnishment, tax levy, or other Legal Process against an account, whether or not funds are actually paid.
Expedited Mail Fee	\$20 / Mailing	Fee applies to send a debit card, ATM card, teller's check or other document via expedited or express mail.
Wire Transfer Fee – Incoming domestic or international wires	\$0 / Transfer	USAA does not charge a fee for incoming wires, however for international wires, other financial institutions or third parties involved in the wire transfer may charge fee(s) for the incoming wire.
Wire Transfer Fee – Outgoing domestic or international wires (appears on your statement as Wire Fee)	\$20 / Transfer	- Total fee for sending international wire transfers is \$45 (\$20 Wire Transfer Fee + \$25 Int'l Wire Service Fee). - For international wires, other financial institutions and third parties involved in the wire transfer may charge additional fee(s).
Int'l Wire Service Fee – Outgoing international wires	\$25 / Transfer	- Total fee for sending international wire transfers is \$45 (\$20 Wire Transfer Fee + \$25 Int'l Wire Service Fee). - For international wires, other financial institutions and third parties involved in the wire transfer may charge additional fee(s).

USAA ATM / Debit Card Transaction Limits

ATM / Debit Card Transactions	Dollar Limits (Per Card, Per 24 Hours)	Frequency Limits (Per Card, Per 24 Hours)
ATM Cash Withdrawal	\$600	20
Cash Deposits at ATMs that accept deposits to FSB accounts*	Limits apply. Contact us with questions about your limit.	N/A
Debit Card Cash Advance**	\$1,000	5
Debit Card Purchase	\$6,000	40
Debit Card Account Funding Transaction (AFT)***	\$5,000	N/A

* Cash deposits are available at certain ATMs. See our ATM Locator for details.

** Other financial institutions may charge you a fee for this transaction.

*** An Account Funding Transaction occurs when funds are “pulled” from your debit card account in order to “push” funds to a different account using a third-party payment service.

We reserve the right to modify these limits at our discretion. If we decrease the ATM/debit card transaction limits provided above, we will notify you in advance, to the extent required by law. These amounts are subject to further limitation by the ATM owner or merchant. In addition, for security reasons, there may be times when we further limit these amounts without notice to you.

You may request a higher or lower ATM or debit card transaction limit for a temporary or other period. If we agree to your request to establish a higher or lower ATM or debit card dollar or frequency limit for a temporary or other period, your transaction limits may return to these limits when the period expires. Your transaction limits may also return to these limits when an ATM or debit card is replaced or re-issued (for example, when the ATM or debit card number is changed), without notice. We reserve the right to refuse or reduce the amount of any request.

Transfer Limits

Transfers From	Transfers To	Dollar Limits	Frequency Limits
FSB checking or savings account	FSB checking or savings account	\$999,999.99 (Per Transfer)	N/A
FSB checking or savings account	FSB CD account	\$999,999.99 (Per Transfer)	Subject to terms of CD account
FSB checking or savings account	External financial institution checking or savings account	Dollar limit applies. Contact us with questions about your limit.	N/A
External financial institution checking or savings account (through usaa.com or the USAA Mobile App)	Your FSB checking or savings account	Dollar limit applies. Contact us with questions about your limit. Also subject to the limits of the external financial institution.	Subject to the limits of the external financial institution

For security reasons, there may be times when we further limit these amounts. You may not transfer more than the Available Balance in your account.

Domestic and International Wire Transfer Limits

We may impose limits on the dollar amount and number of outgoing domestic and international wire transfers that you send, and we reserve the right to modify those limits from time to time at our discretion. You may not send a wire transfer in an amount greater than the Available Balance in your account. If we decrease your transfer limit below \$10,000 per wire transfer, or if we decrease the frequency with which you may send an outgoing wire transfer below two wire transfers per rolling 30-day period, we will notify you in advance, to the extent required by law. Notwithstanding the foregoing, for security reasons, there may be times when we further limit the amount and frequency of your wire transfers or restrict your access to wire transfer services without notice. Additional limits may apply to new accounts and minor account owners.

How to Contact Us

Mailing Address	USAA Federal Savings Bank 10750 McDermott Freeway San Antonio, TX 78288
Toll-free Telephone Number	210-531-USAA (8722), 800-531-8722
International Telephone Number	Visit usaa.com
Relay Services	(TTY:711/TRS) We accept calls through the federal Telecommunications Relay Service (TRS), which supports various videos over the internet, as well as TTY and TDD devices.
Online and Chat	Visit usaa.com
Mobile	Mobile: #8722

1 Account access restrictions may apply to mobile/web access in certain countries. USAA Pay Bills requires payees to have an address in the U.S., a U.S. territory, or APO/FPO.

2 Eligibility for USAA Deposit@Mobile® will be based on your account history with USAA Federal Savings Bank. Deposits may not be available for immediate withdrawal. USAA's Deposit@Mobile® product, including the corresponding portions of this website or application, may be covered by one or more of the following United States Patents.

Deposit@Mobile® and related Deposit@Home® Patent Information

USAA's Deposit@Mobile® and related Deposit@Home® includes innovative features that are protected by multiple patents issued by the United States Patent and Trademark Office. A listing of issued Patents, intending to serve as notice under 35 U.S.C. § 287(a), may be found at <https://www.usaa.com/inet/wc/bank-deposit-at-mobile-deposit-at-home-patent-information>.

Deposit products and services offered by USAA Federal Savings Bank, Member FDIC.