

**Member Name:**

**Loan Number:**

**CREDIT UNION OF TEXAS**  
**BINDING ARBITRATION CONSENT AND AGREEMENT**  
**FOR CONSUMER LOAN NOTE AND DISCLOSURE**

**BINDING ARBITRATION CONSENT AND AGREEMENT:** You and we agree to attempt to informally settle any disputes arising out of, affecting, or relating to your Loan with us. If that cannot be done, you and we agree that any claim or dispute between us (“Claim”) based on conduct, activities, actions, or omissions that occur on or after the Effective Date (defined below) of this Binding Arbitration Consent and Agreement, and which arises out of or relates to this Note or your Loan shall, at the election of either you or us, be resolved by BINDING ARBITRATION administered by the American Arbitration Association (“AAA”) in accordance with its applicable rules and procedures for consumer disputes (“Rules”), whether such Claim is in contract, tort, statute, or otherwise. The Rules can be obtained on the AAA website free of charge at [www.adr.org](http://www.adr.org); or, a copy of the Rules can be obtained at any Credit Union Store upon request. **AS A RESULT, IF EITHER YOU OR WE ELECT TO RESOLVE A PARTICULAR CLAIM THROUGH ARBITRATION, YOU WILL GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS AGREEMENT (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN JUSTICE COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN JUSTICE COURT).** This Binding Arbitration Consent and Agreement will be interpreted and enforced in accordance with the Federal Arbitration Act in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claim. The Texas Arbitration Act will not apply to this Binding Arbitration Consent and Agreement or to any Claims between us. You acknowledge that this Binding Arbitration Consent and Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local governmental agency or entity, nor does it prevent such agency or entity seeking relief on your behalf.

By consenting to BINDING ARBITRATION, you understand and agree with the following terms:

- **SELECTION OF ARBITRATOR:** If either you or we elect to resolve a Claim through binding arbitration, your rights will be determined by a neutral arbitrator and NOT a judge or jury, in accordance with all applicable laws and Rules. The neutral arbitrator will be selected in accordance with the Rules, and must have experience and knowledge in financial transactions. In the event of a conflict between the Rules and this Binding Arbitration Consent and Agreement, this Binding Arbitration Consent and Agreement

will supersede the conflicting Rules only to the extent of the inconsistency. If AAA is unavailable to resolve the Claim, and if you and we do not agree on a substitute, then you can select the appropriate forum for arbitration of the Claim.

- **EFFECTIVE DATE:** This Binding Arbitration Consent and Agreement is effective immediately on the day your Loan is funded (“Effective Date”). However, you have 60 calendar days after we provide you with a copy of our Loan Agreement and Disclosures, which includes this Binding Arbitration Consent and Agreement, to opt-out in accordance with the requirements of the RIGHT TO OPT-OUT provision below. The 60-calendar day timeframe begins on the date your Loan is funded with us. If you timely opt-out, we will consider that this Binding Arbitration Consent and Agreement never applied to you.
- **CLAIMS ARISING PRIOR TO EFFECTIVE DATE:** **THIS BINDING ARBITRATION CONSENT AND AGREEMENT APPLIES TO ALL CLAIMS BASED ON CONDUCT, ACTIVITIES, ACTIONS, OR OMISSIONS THAT OCCUR ON OR AFTER THE EFFECTIVE DATE.** To the extent a Claim involves conduct, activities, actions, or omissions that occur prior to the Effective Date, this Binding Arbitration Consent and Agreement will not apply to such pre-Effective Date conduct, activities, actions, or omissions, but this Binding Arbitration Consent and Agreement will apply to any conduct, activities, actions, or omissions occurring on or after the Effective Date.
- **ARBITRATION PROCEEDINGS:** Arbitration proceedings provide you a fair hearing, but the arbitration procedures are simpler and more limited than rules applicable in court. Discovery will be available for non-privileged information to the fullest extent permitted under the Rules. Any defenses that would apply to a Claim if it was brought in a court of law will apply in any arbitration proceeding between us, including defenses based on the expiration of the applicable statute of limitations or otherwise relating to the timeliness of the initiation of the Claim, and the commencement of an arbitration proceeding under this Binding Arbitration Consent and Agreement will be deemed the commencement of an action for such purposes. Arbitration decisions are as enforceable as any court order and are subject to very limited review by a court and cannot be appealed. Arbitrators can award the same remedies including damages, injunctive relief on an individual basis, and other remedies that a court can award. Any determination as to whether this Binding Arbitration Consent and Agreement is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration.
- **CLASS ACTION WAIVER:** ANY ARBITRATION OF A CLAIM WILL BE ON AN INDIVIDUAL BASIS. YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION LAWSUIT.
- **LOCATION:** The place of arbitration shall be within 50 miles of your residence at the time the arbitration is commenced.

- COSTS: You understand we will pay for any filing, administration, and arbitrator fees as imposed on you by AAA of \$75,000 or less, provided the Claim is unrelated to debt collection. Otherwise, arbitration fees will be allocated according to the applicable Rules. If we prevail, we may not recover our arbitration fees from you, unless the arbitrator decides your claim was frivolous.
- ATTORNEYS' FEES: If you prevail on the merits of your Claim in arbitration, we will pay your reasonable attorneys' fees. If we prevail, you will not be required to pay our attorneys' fees.
- SEVERABILITY: In the event that the Class Action Waiver in this Binding Arbitration Consent and Agreement is found to be unenforceable for any reason in relation to a Claim involving class action allegations, the remainder of this Binding Arbitration Consent and Agreement will be unenforceable. If any provision in this Binding Arbitration Consent and Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions will remain enforceable.
- SURVIVAL: This Binding Arbitration Consent and Agreement will survive termination of the Agreement or your banking relationship with us including the bankruptcy of any party and any sale of your Loan, or amounts owed on your Loan, to another person or entity.
- AMENDMENT/TERMINATION: We reserve the right to amend or terminate this Binding Arbitration Consent and Agreement, provided that we notify you in writing at least 30 days prior to such amendment or termination taking effect. Notwithstanding anything in the Agreement to the contrary, any amendment or termination of this Binding Arbitration Consent and Agreement shall not apply to Claims to the extent that they accrue prior to the effective date of such amendment or termination.
- RIGHT OF OPT-OUT: You have the right to opt-out of this Binding Arbitration Consent and Agreement, provided that you notify us of your intent to opt-out within 60 calendar days after we provide you this Binding Arbitration Consent and Agreement when your Loan is funded. Your opt-out is only effective if you notify us in writing at Credit Union of Texas, Attention: Member Services Department, P.O. Box 517028, Dallas, Texas 75251, within such 60 calendar day time period. Your notice should clearly state that you are opting out of the Binding Arbitration Consent and Agreement for your Loan and include a description of the Loan. If you fail to opt-out within this 60-calendar day time period, you will be deemed to have provided your consent to the resolution of your Claims through binding arbitration, as of the Effective Date. In the event you opt-out of this Binding Arbitration Consent and Agreement, such opt-out will not affect other terms and conditions of your Loan Agreement.

FOR MORE DETAILS or if you have questions, you may call us or visit a branch. If you have questions about AAA procedures, you should check AAA's website, [www.adr.org](http://www.adr.org), OR call AAA at (800) 778-7879. You understand that any debt or Loan obligation you may have with us that is subject to the federal Military Lending Act is not subject to this Binding Arbitration Consent and Agreement.