

COLONIAL SAVINGS, F.A. CONSUMER PRIVACY POLICY

INTRODUCTION

Part 573, Chapter V, Title 12 of the Code of Federal Regulation (Privacy of Consumer Financial Information) restricts the use of Consumer Financial Information and requires that certain disclosures be provided to consumers and customers.

The Fair Credit Reporting Act was implemented to assure fair, accurate and timely reporting of credit information. Among other provisions, the Fair Credit Reporting Act directs users of credit information as to the limitations of sharing information. There are other laws applicable to consumer and customer privacy, for example, the Right to Financial Privacy Act describes how and under what conditions financial institutions are obligated to provide an individual's records to government agencies, and the Bank Secrecy Act describes under what circumstances suspicious activity must be reported.

POLICY

It is the policy of Colonial Savings, F.A. and its operating divisions and affiliates ("Colonial") to respect the privacy of persons seeking information or services from us. Colonial employees are to keep customer information confidential. Colonial seeks to abide by the laws and regulations governing access to customer activity.

Colonial recognizes how important it is to our customers that sensitive information remains confidential. Our employees have been directed to abide by a comprehensive Consumer Privacy Policy.

A. Categories of Information We Collect

We collect non-public personal information about our customers from the following sources:

- Information we receive from our customers on applications or other forms,
- Information about our customers transactions with us, our affiliates, or others; and
- Information we receive from a consumer reporting agency.

B. Web Site Privacy

www.colonialsavings.com www.colonialnationalmortgage.com www.cumembers.com www.cbankers.com

Persons may browse our web site anonymously. Colonial tracks which pages of our site are visited and we note users' ID (host) addresses (as all web sites do automatically), but this tracking does not gather information about individuals. This tracking allows Colonial to identify current usage patterns in order for us to improve the information we provide.

Colonial has the ability to gather specific information from web site users only when web site users elect to provide information to us such as in the case of users completing and transmitting a mortgage prequalification form, applying for consumer loans or opening a deposit account..

Colonial's digital ID allows the user's browser to verify Colonial's Internet identity every time a user visits our site. In addition, portions of Colonial's site have encryption capabilities, making information transmissions from or to consumers secure from third party interception.

C. Sharing Customer Information

We do not disclose any non-public personal information about our customers or former customers to anyone, except as permitted or required by law.

Conducting our Business

Colonial may provide customer information to third party companies in order for Colonial to conduct its normal business of originating and servicing loans and acceptance of deposit and transaction accounts. Information on accounts at Colonial may also routinely be reported to credit bureau agencies. Colonial may also provide customer information as provided on applications or other forms to marketing companies in order to facilitate Colonial's own marketing endeavors. Colonial and its affiliated companies, may enter into Joint Marketing Agreements with Third Party Companies to offer our customers products or services that we consider beneficial.

Complying with Applicable Law

Colonial is required to comply with various laws governing consumer information. This includes, for example, an obligation to report suspicious activity involving consumer accounts. Another example includes the requirement to permit access by regulators to information in the course of routine examinations. It is the express policy of Colonial to abide by the laws and regulations governing its operations. Colonial will report and allow access to consumer information only within the parameters set by the laws and regulations, or required by the courts.

Making Available Special Products and Services

Colonial is affiliated, through common ownership, with DuBose and Associates (also d/b/a Colonial National Insurance Services), Colonial Life Insurance Company of Texas, Colonial Mortgage Insurance Company, CLICOT Agency, Colonial Lloyds and First Western Title Co. Colonial may share information regarding our customers' accounts with our affiliates. Customers may limit some marketing by our affiliates. Please refer to the last page of this policy notice titled "Your Choice to Limit Marketing" for opt-out information. We will not share credit reports or third party information with our affiliates.

Colonial administers an automated loan payment plan known as the Interest Saver Program. For this program to be offered to our customers, basic customer loan information may be made available to a marketing group.

D. Colonial's Customer Privacy Principles

We restrict access to non-public personal information about our customers only to those employees who need access to the system containing customer information in order to perform their job. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard customers' non-public personal information. We will continue to update these safeguards as technology changes occur.

In recognition of the high level of trust and confidence our customers have in Colonial, the following Customer Privacy Principles have been adopted as a guide for our officers and employees to follow in the use of customer information.

- We recognize and respect our customer's expectations of financial privacy.
- We will limit the collection and use of customer information to the minimum necessary to offer and deliver the products and services that we provide.
- We will restrict access to customer information to authorized employees and for authorized purposes.
- We will strive to maintain customer information as accurate, current and complete as possible. Colonial will be responsive to customers' requests to correct errors.
- We will establish safeguard standards for the security and confidentiality of customer information.

- We will not reveal specific information about customer accounts or other personally identifiable data to unaffiliated third parties, unless (1) the information is provided to help complete a customer initiated transaction; (2) the customer requests it; or (3) the disclosure is allowed or required by law.
- Whenever we hire other organizations to provide support services, we will require those organizations to adhere to similar privacy principles.

A copy of this policy will be maintained at each of our branch and loan production offices and will be available to the public upon request.

Customers may address questions regarding privacy issues by writing to the Customer Services Department, Colonial Savings, P. O. Box 2988, Fort Worth, Texas 76113 or by calling 1-800-937-6002.

**Colonial Savings, F.A.
Adopted by Board of Directors**

(Date)

Secretary of the Board

Your Choice to Limit Marketing

This Privacy Policy is provided by and applicable for Colonial Savings, F.A., and its operating divisions including Colonial National Mortgage, CU Members Mortgage, and Community Bankers Mortgage.

Federal law gives you the right to limit some but not all marketing from our affiliates. Federal law also requires us to give you this notice to tell you about your choice to limit marketing from our affiliates.

You may limit our affiliates in the Colonial group of companies, such as our insurance affiliates: DuBose and Associates (d/b/a Colonial National Insurance Services), Colonial Life Insurance Company of Texas, Colonial Mortgage Insurance Company, CLICOT Agency, Colonial Lloyds, and First Western Title Co., from marketing their products or services to you based on your personal information that we collect and share with them. This information includes your income, account status & transaction history, and loan terms.

Your choice to limit marketing offers from our affiliates will apply until you tell us to change your choice.

To limit marketing offers, contact us by completing this form and mailing it to:

Customer Services Department
P. O. Box 2988
Fort Worth, TX 76113-2988

Do not allow your affiliates to use my personal information to market to me.

Your name (please print): _____

Your property address or account number:

Your signature: _____

Date: _____