

## Overdraft Privilege Disclosure

As a service to account holders and to help avoid the significant fees that may be charged by third parties for unpaid items, Family Savings CU strives to pay account holders' overdrafts when possible. It is the obligation of the institution to operate in accordance with all safety and soundness standards. Therefore, a continual evaluation of all accounts is performed to determine if it is financially sound to honor items that may cause an overdraft situation for a particular account. The account criteria evaluated are:

- Age of Account
- Deposit Balances
- Deposit Regularity
- Previous Overdraft Activity
- Account status relating to any legal or administrative order or levy
- Status of Loan Obligations with the institution

We believe it is important for you to use your checking account responsibly and to never intentionally overdraw your account. However, we realize that financial shortfalls happen from time to time and we have several options available for you. As a benefit to our members, we offer these useful services to cover you in the event that you overdraw your checking account.

### Overdraft Payment options:

**Share Draft Overdraft Protection Line of Credit** – An Overdraft Protection Line of Credit is available to cover overdrafts for those who qualify. This service requires you to complete an application and approval is based on your credit worthiness. The amount of your limit varies.

**Overdraft Protection from Savings** - Overdraft Protection from Savings services may help protect your account from being overdrawn by automatically transferring funds to your checking account from your savings account if funds are available. This protection is available for a fee of \$3.00 per posting provided funds are available.

**Overdraft Privilege** - Overdraft Privilege is a service we add to your checking account to cover overdrafts to a set limit, subject to the eligibility criteria as explained below. While we reserve the right to unilaterally refuse to pay any item that is presented, with Overdraft Privilege we will generally pay your overdraft items up to the amount available on your account. When we pay overdraft items for you, you will be charged our normal overdraft fee, currently \$30.00 for each item that is presented. When an account has insufficient funds, a \$30.00 fee is charged for every non-sufficient fund item whether the item is paid or returned unpaid.

**ATM Debit Protection** – Coverage for ATM and everyday one-time debit card transactions is available by opting in for Debit ATM Protection by signing an A-9 form or confirming by phone with Family Savings CU.

**Transfer order for Overdraft Payment Options** – First: Share Draft Overdraft Protection Line of Credit. Member must qualify and funds must be available on loan. Second: Overdraft Protection from Savings provided funds are available, (\$3.00 fee per item covered). Third: Overdraft Privilege/ATM Debit Protection (if opted in for ATM Debit Protection) (\$30.00 per item covered within Overdraw Tolerance).

**Eligibility** - No application is required for the Overdraft Privilege; eligibility is based on you managing your checking account in a responsible manner. You will be ineligible for the Overdraft Privilege if:

- You do not bring your account to a positive balance for at least one business day every 30 days.
- You are more than 30 days past due on any Credit Union loan or delinquent on any other obligation to the Credit Union.
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding.
- You have an outstanding balance on an Overdraft Repayment Plan.
- An extended hold is being placed on your checking account or any other account relationship, in which case your Overdraft Privilege will automatically be suspended without prior notice.
- You are a minor.
- Your account is a fiduciary trust or escrow account.
- Your account is classified as dormant.

**Suspension of Privilege** - After the Overdraft Privilege has been activated, we have the right to suspend, revoke or discontinue this service without prior notice. We also reserve the right to suspend the privilege if we believe you are not managing your account in a responsible manner which may harm you or the Credit Union.

**Transactions Covered by Overdraft Privilege** - The Overdraft Privilege is available for checks you write as well as ACH items and ATM Debit Items with Opt-in to ATM Debit Protection.

**Payment of Overdrafts- Understanding Your Account Balance.** Your share draft account has two kinds of balances: the actual balance and the available balance. Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still

pending. Your available balance is the amount of money in your account that is available for you to use. Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. We use your available balance to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn regardless of your actual balance. You should assume that any item which would overdraw your account based on your available balance may create an overdraft.

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

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

**Debits.** There are several types of debit transactions. Common debit transactions are Checks, ACH Payments, PIN Based Debit Card Purchase Transactions, and Signature-Based Debit Card Purchase Transactions. There are many ways transactions are presented for payment by merchants, and we are not necessarily in control of when transactions are received.

We reserve the right to pay items in any order we choose as permitted by law.

A declined item may be re-presented by payee of the item. We do not monitor or control if and when an item is represented. Subsequent presentments may result in multiple overdraft fees for the same item.

**Payment Order of Items** - Checks cashed by our employees or that you have written to us are cashed as they are received throughout the day. Items that are submitted electronically, such as ACH items are normally paid during credit union business hours. Finally, we pay the remaining draft items based on the amounts of the checks from the least to the greatest. This normally occurs after closing.

**Opt Out** - You may never need to take advantage of these overdraft checking account payment options, but you may find them useful in the event of a temporary shortfall. You have the right to revoke your authorization at any time by visiting your local branch or calling us at 888-311-3728.

The institution is not obligated to cover any items, defined as checks, ATM withdrawals, Point of Sale (POS) or debit card transactions, preauthorized debits, or any other electronic transactions, presented for payment if the account does not contain sufficient collected and/or available funds. Furthermore, service charges assessed against items presented to the account, does not obligate the institution to pay said request for funds, nor does it obligate the institution to provide prior written notice of the decision to refuse payment.

Should a check be submitted or a transaction be made for funds exceeding what is available in the account, pursuant to the depositor's Account Agreement, the account holder is responsible for the amount of any overdraft and applicable fees immediately. It is the obligation of the account holder to keep their account in good standing with the institution and to bring their account to a positive balance immediately should an overdraft situation occur, without notice or demand from the institution.

If the account holder would prefer that the institution not honor any items when there are not sufficient funds in the account, the account holder may opt-out of this discretionary service by contacting the institution and expressing this preference. The account holder is fully aware that without this discretionary service or some other form of overdraft protection, such as a line of credit (which is offered to qualified applicants), any items presented that overdraw the account may be returned unpaid with the applicable non-sufficient fund fee charged to the account for each item.

Your account agreement describes the duties, obligations, and rights of depositors, authorized signatories and the Credit Union with regard to your deposit accounts. That account agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. Your account agreement and this disclosure shall be construed so as to minimize conflicts between them.

**Waiver:** The Credit Union's forbearance from, or delay in, exercising any of the Credit Union's rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this Overdraft Privilege disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Credit Union's rights, remedies or privileges. You and the Credit Union agree that the exclusive remedy and forum for all disputes arising out of the Overdraft Privilege or your or Credit Union's performance there under, except for matters you or Credit Union take to small claims court, is arbitration by an independent arbitrator pursuant to the applicable rules of the American Arbitration Association, except as prohibited by law.