

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 Protection Plans

Transfer from Another Account – You can authorize us to transfer the funds needed to cover your overdraft from a Regular Share Savings Account held with us.

Line of Credit – A Line of Credit is available to cover overdrafts. This service requires you to complete an application and approval is based on your credit worthiness. The amount of your limit is based on the amount of credit line approved to you.

Standard Overdraft Practices

Privilege Pay – Privilege Pay is a service we add to your checking account to cover overdrafts to a set limit, subject to the eligibility criteria as explained below. With Privilege Pay we will generally pay your overdraft items up to \$500, however, whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts. You will be charged our normal overdraft or return item fee of \$28 for each item that is presented. Both the amount of the overdraft items and all applicable fees, including but not limited to the overdraft fees, are included in this limit. All deposits to overdrawn accounts are applied to the negative balance.

Eligibility – No application is required for Privilege Pay; eligibility is at the sole discretion of the Credit Union and based on you managing your checking account in a responsible manner. Members are ineligible for Privilege Pay and services can be suspended or permanently removed based on the criteria below.

- You have an account that has been opened less than 90 days.
- Your account type is not eligible (OptionCheck, business, non-profit, or association).
- The primary account owner is less than 18 years old.
- Your account is being reviewed for fraudulent activity or transactions.
- You are more than 30 days past due on any Credit Union loan or delinquent on any other obligation to the Credit Union.
- You have an unresolved prior loss with the Credit Union.
- Your account is inactive (dormant).
- We do not have a valid address for you.
- Your deposits within one month are less than \$100.
- You do not bring your account to a positive balance within 30 days of becoming overdrawn.
- You have an outstanding balance on an Overdraft Repayment Plan.
- An extended hold is placed on your checking account or any other account relationship, in which case your services for Privilege Pay will be suspended without prior notice.
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding.
- We believe you are not managing your account in a responsible manner which may harm you or us.

Transactions Eligible for Privilege Pay – Privilege Pay will be available for all checks written, transactions made using your checking account number, ACH transactions and automatic bill payments. Online and telephone banking services offered by the Credit Union are not eligible.

Privilege Pay will **not** be available for ATM and one-time everyday debit card transactions **unless** you authorize the Credit Union by telephone or by completing and returning an ATM/Debit Card Privilege Pay Opt-In Consent Form to any branch in person or by mail.

Privilege Pay Opt-Out – You may never need to take advantage of Privilege Pay but you may find it useful in the event of a temporary shortfall. If you do not want Privilege Pay, this benefit can be removed from your account by contacting the Credit Union to obtain, complete and return a Privilege Pay Change Form. It is important for you to consider that there is no additional cost for Privilege Pay and that by opting-out you are instructing us to return unpaid all items presented against insufficient funds. If you opt-out, you will be charged our \$28 returned item fee. Members who receive Social Security, federal direct deposit or any other entitlement benefit must opt-out if they do not want the Credit Union to apply those funds to pay an overdraft.

Payment Order of Items – The order in which items are presented may affect the total fees incurred by a member. The first items that we pay are ACH transactions and automatic bill payments. We then pay any checks cashed by our employees or that you have written to us. Additionally, ATM and debit card transactions will clear at various times throughout the day. Finally, we pay all other checks clearing electronically in check number order.

NOTE: Please be aware that holds placed on your account for pending electronic transactions, such as hotel or rental car deposits, reduce your available balance and may cause your account to become overdrawn.

Available Balance = Current Balance - Pending Withdrawals/Debits

Your "available balance" is the balance in your account after deducting (1) deposits that are not yet available for withdrawal under our Funds Availability Policy, (2) debit card or other transactions that are on hold and we are legally obligated to pay, and (3) any holds on your account, such as holds on funds to comply with court orders or other legal requirements, or check holds placed due to notification of a return of an unpaid item.

Your available balance is the amount of funds you have in your account that you can withdraw or access. The credit union uses the available balance when deciding to pay items that may overdraw your account. The available balance can be negative if you overdraw your account.

Current (ledger) balance

The current balance is the balance of the account with pending transactions that have not cleared yet. (Pending checks deposited/cashed, debit transactions, etc...) Therefore you do not have access to those funds at this point but they are going to be posted to the account once they clear.

Understanding Your Balance

Reading Your Balance	Mon	Tues	Wed
Starting available balance*	\$1,000	\$975	\$1,575
Starting current balance	\$1,000	\$1,000	\$1,600
Debit Card purchase: lunch (\$25 + \$5 tip)	\$25-	\$25-	\$30-
Direct Deposit: payroll	\$600	\$600	
Personal Check: \$100	\$0		\$100-
Ending available balance*	\$975	\$1,575	\$1,470
Ending current balance	\$1,000	\$1,600	\$1,470
*as seen in online banking			

Overdraft Repayment Plan – If you have difficulty repaying your obligation under Privilege Pay, you may be given the opportunity to sign an Overdraft Repayment Plan agreement provided the period of time your account has been negative does not exceed 45 days.

Account Agreement – 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 Privilege Pay 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.

Remedy – You and the Credit Union agree that the exclusive remedy and forum for all disputes arising out of the Privilege Pay service or your Credit Union's performance there under, except for matters you or the 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.

Effective Date – All information listed in this disclosure is effective as of August 8, 2018.