

# OVERDRAFT POLICY

We understand that unexpected overdrafts occur from time to time. We offer a variety of Overdraft Protection Plans that can help. The choice is yours. Consider these ways to cover overdrafts.

OVERDRAFT PROTECTION PLAN OPTION	AVAILABLE FOR	NOT AVAILABLE FOR	TRANSACTIONS COVERED	COST
<b>Courtesy Pay</b> <sup>1,4</sup>	Basic Checking, Interest Checking Plus, Eagle Advantage Checking, Achieve It Checking	MyFIT Checking, Health Interest Checking	Checks, ACH Automated Debit, Bill Pay	\$25 per item You may incur multiple returned fees for the same presented check, draft, or item. 3 maximum number of overdraft fees per day \$25.00 minimum overdrawn balance required to trigger fee You will not be charged a fee on overdrawn transactions of \$10.00 or less
<b>Debit Card Courtesy Pay</b> <sup>1, 2</sup>	Basic Checking, Interest Checking Plus, Eagle Advantage Checking, Achieve It Checking	MyFIT Checking, Health Interest Checking	Debit Card Transactions <sup>5</sup>	\$25 per item 3 maximum number of overdraft fees per day \$25.00 minimum overdrawn balance required to trigger fee You will not be charged a fee on overdrawn transactions of \$10.00 or less
<b>Overdraft Transfer Plan</b> <sup>1, 2, 3</sup>	Basic Checking, Interest Checking Plus, Eagle Advantage Checking, Achieve It Checking, MyFIT Checking <sup>4</sup>	Health Interest Checking	Checks, ACH Automated Debit, Bill Pay, ATM Transactions, Online and Mobile Banking Transfer, Debit Card Transactions of Any Type	\$0 Per transfer, plus interest accrued on any associated line of credit. Transfers are subject to remaining available line of credit and/or funds available in transferring account.

1 You must meet the eligibility requirements. (see below)

2 Call Us at 877-325-2848 or stop by a branch to sign up or apply for these services.

3 Subject to credit approval.

4 This service is automatically included on Your Account when You open any of these Accounts.

5 As detailed in this Agreement, We will not pay one-time (non-recurring) debit card transactions resulting in an overdraft on Your consumer checking Account unless You have opted in to Debit Card Courtesy Pay. If You do so, You will be charged a fee for each overdraft We pay resulting from a one-time debit card transaction. We may pay recurring debit card transactions resulting in an overdraft on Your consumer checking Account regardless of whether You have opted in to Debit Card Courtesy Pay. If You have not opted in to Debit Card Courtesy Pay, due to system limitations You may initially be charged a fee for any overdrafts resulting from a recurring debit card transaction. If such a fee is charged to Your Account, We will refund the fee amount to Your Account within 24 hours. Please note that it is possible that, regardless of the eventual refund of any overdraft fees associated with a recurring debit card transaction, the fee assessed against Your Account will lower Your Available Balance by the amount of the fee during the period between the time the fee is assessed and the time the fee is refunded. Please also note that any overdraft fees that We have refunded will still be listed as fees assessed against Your Account on Your periodic and annual statements.

Courtesy Pay and Debit Card Courtesy Pay programs allow You to overdraw Your consumer checking Account up to a disclosed limit for a fee in order for Us to pay a transaction. Even if You have the Overdraft Transfer Plan, the Courtesy Pay or Debit Card Courtesy Pay programs are still available as secondary coverage if the other protection is exhausted. Standard coverage in the amount of \$750 is available for consumer checking Accounts. Silver Merit Members have coverage in the amount of \$1000. Gold Merit Members have coverage in the amount of \$1500. Member merit status could change on a monthly basis based upon Your existing balances. As a result Your overdraft coverage may change should Your Member Merit benefits change. An Account's Member Merits level and Courtesy Pay coverage amount is determined by the member's household Member Merits level. All individuals who reside in the same household, as designated by the member's primary residential address have the same Member Merits status and therefore the same Courtesy Pay coverage levels. Unless otherwise stated in this Agreement Your Courtesy Pay limit will not fall below \$750, unless revoked. The maximum coverage amounts described above apply cumulatively to Courtesy Pay and Debit Card Courtesy Pay plans. There is not a separate maximum coverage amount for each plan. When You are charged a fee for the payment of an overdraft, as described below, that fee is subtracted from Your coverage limit in addition to the amount of the transaction resulting in the overdraft.

The Overdraft Transfer Plan described above may help prevent overdrafts by automatically transferring funds to Your consumer checking Account from another checking, savings, or money market Account or a line of credit You have at the Credit Union. Please note that any line of credit is subject to credit approval. These services may cost less than the Courtesy Pay or Debit Card Courtesy Pay.

Additional information about overdraft protection follows:

### **a. Overdraft Eligibility Requirements**

Courtesy Pay, Debit Card Courtesy Pay, and Overdraft Transfer Plan programs are available on consumer checking Accounts opened at least thirty (30) days and in good standing. To be in good standing requires at a minimum:

- You are not in default on any other loan or other obligation to the Credit Union, and do not have any loan or other obligation to the Credit Union that the Credit Union may consider to be abused or a loss;
- Your Accounts with Us are not subject to any legal or administrative order, garnishments or liens; and
- No restrictive flags have been placed on Your consumer checking Account.

For the Courtesy Pay and Debit Card Courtesy Pay programs, there are additional minimum requirements to being in good standing:

- You do not have any other loan or other obligation to the Credit Union that is delinquent by more than fifteen (15) days;
- Your consumer checking Account has not had a negative balance for more than ten (10) consecutive days;
- Your consumer checking Account has incurred no more than eight (8) returned insufficient funds/uncollected funds (NSF/UCF) check or ACH items in any calendar month; and
- Your consumer checking Account has incurred no more than twenty (20) Overdraft/UCF check, ACH, or Debit Card overdraft transactions in any calendar month. Note due to processing limitations, if You have additional transactions that result in paid overdrafts on the same day You reach the monthly threshold of twenty (20), We may pay those additional transactions and charge a fee.

Please see Your Personal Service Counselor for more details.

### **b. Payment of Overdrafts**

(1) If, on any day, the Available Balance in Your consumer checking Account is not sufficient to pay the full amount of a check, draft, transaction, or other item, plus any applicable fee that is posted to Your Account, We may return the item or pay it, in accordance with Our Overdraft Policy. Our determination of an insufficient available Account balance may be made at any time between presentation and Our midnight deadline with only one review of the Account required. We do not have to notify You if Your Account does not have sufficient available funds in order to pay an item. Your Account may be subject to a charge for each item regardless of whether We pay or return the item. You may also incur multiple returned item fees for the same presented check, draft or item.

(2) Our Courtesy Pay program and Overdraft Transfer Plan allows Us to authorize payment for the following types of transactions regardless of whether Your consumer checking Account has sufficient funds:

- (a) Checks and other transactions made using Your consumer checking Account, except as otherwise described below;
- (b) Automatic bill payments;
- (c) ACH Debit transactions;
- (d) Online and mobile banking (Overdraft Transfer Plan Only);
- (e) ATM Transactions (Overdraft Transfer Plan Only); and
- (f) Debit card transactions of any type (Overdraft Transfer Plan Only)

If You have established an Overdraft Transfer Plan service linking Your consumer checking Account with other individual or joint Accounts, You authorize Us to transfer funds from other Accounts of Yours to cover an insufficient item, including transfers from a deposit Account, a line of credit, or other Accounts You so designate. Service fees, interest and other charges for these transactions are described herein and also shown in the Truth in Savings Disclosure and Service Charge and Fee Schedule. We reserve the right not to transfer funds from another Account or draw on Your line of credit even if We have done so in the past. If the transfer of funds from a linked Account would result in a zero or negative balance in such linked Account or would result in an overdraft in such linked Account, We may not transfer funds to Your consumer checking Account. If Your line of credit has reached its maximum limit, We will not exceed the limit on the line. We reserve the right to terminate this Overdraft Transfer Plan at Our discretion.

(3) You agree that We may apply funds deposited to Your Account(s) to Your outstanding overdrafts and fees, regardless of the source, which specifically includes directly deposited government entitlements or benefits such as social security deposits.

(4) Except as otherwise agreed in writing, if We exercise Our right to use Our discretion to pay such items that result in an insufficiency of funds in Your Account, We do not agree to pay them in the future and may discontinue coverage at any time without notice to You. You should note the Courtesy Pay program is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice. With Courtesy Pay, We pay overdrafts at Our discretion, which means We do not guarantee that We will always authorize and pay any type of transaction. If We pay these items or impose a fee that results in insufficient funds in Your Account, You agree to pay the insufficient amount, including the fee assessed by Us, in accordance with Our standard overdraft services or any other service You may have authorized with Us, or if You do not have such protection with Us, in accordance with any overdraft payment policy We have. Courtesy Pay, Debit Card Courtesy Pay and Overdraft Transfer Plans may be suspended until Your Account is brought back in good standing.

### **c. Special Consent Required for One-Time Debit Card Transactions**

For Debit Card Courtesy Pay coverage on one-time (non-recurring) Debit Card transactions, You must affirmatively consent to such coverage. Your consent is also required for Courtesy Pay coverage for overdrafts occurring at ATMs when such overdrafts are caused by use of Your debit card. To consent to such coverage, You can complete the consent document entitled "Debit Card Courtesy Pay Program", change Your Account elections in Mobile Access or Online Access, call 877-325-2848, email Us, or visit a branch. Without Your express consent We may not authorize and pay any onetime

Debit Card transactions that result in insufficient funds in Your consumer checking Account pursuant to the Courtesy Pay Program. If You desire this service for more than one Account number, you will need to provide Us with a separate consent for each additional Account number.

Giving Us Your consent to pay one-time Debit Card overdrafts on Your consumer checking Account may result in Your incurring overdraft fees for transactions that We would otherwise be required to pay without assessing an overdraft fee. However, this would allow Us to authorize transactions up to the amount of Your overdraft courtesy pay limit. If You do not consent to Debit Card Courtesy Pay, We may still pay recurring Debit Card transactions resulting in overdrafts, but You will not be charged a fee if We pay these transactions.

### **d. Charges and Fees**

Our current service charge is \$25 for each overdraft. You may incur multiple returned fees for the same presented check, draft, or item.

We will charge a maximum of three (3) overdraft fees per day

Your checking Account must be overdrawn by a minimum of \$25.00 in order to be charged an overdraft fee.

You will not be charged a fee on overdrawn transactions of \$10.00 or less.

If You are enrolled in the Overdraft Transfer Plan and have linked Your consumer checking Account with other individual or joint Accounts, You will not be charged a fee per overdraft, subject to available line of credit and/or funds available in a linked Account. If Your consumer checking Account is linked to a line of credit, You will be charged interest on the line of credit in accordance with the terms of Your credit line Account agreement. If funds are not available in Your linked Account(s), You will be charged an overdraft fee of \$25 per item.

If You affirmatively consent for Debit Card Courtesy Pay You will be charged \$25 for each overdraft resulting from both one-time Debit Card transaction and recurring Debit Card transactions.

#### **e. Limits on Overdrafts**

For consumer checking Accounts there is a limit of twenty (20) cumulative Courtesy Pay and Debit Card Courtesy Pay overdrafts per month. Beginning on the first day after an Account reaches this limit, transactions resulting in overdrafts will be returned unpaid or denied for the remainder of that month (note that due to processing limitations, if You have additional transactions that result in overdrafts on the same day You reach the monthly limit, We may pay those additional transactions and charge You a fee). A returned item fee of \$25 may apply. You may also incur multiple returned item fees for the same presented check, draft or item.

**An Overdraft Transfer Plan linked to another Account or a line of credit may be a less expensive option than the Courtesy Pay program. Good Account management is the best way to avoid overdrafts. Use Our MobileAccess+, Online Access, and Account Access by Phone to keep track of Your balance. For additional financial education resources, please visit [www.mymoney.gov](http://www.mymoney.gov).**

#### **f. Order of Payment**

Checks, drafts, transactions, and other items may not be processed in the order that You make them. We will pay a check, draft, or item, and execute other transactions on Your consumer checking Account in the order received. The order in which We process checks, drafts, or items, and execute other transactions on Your Account may affect the total amount of overdraft fees that may be charged to Your consumer checking Account.

#### **g. Our General Rules on How Transactions Are Posted to Your Account**

As noted above, checks and transactions may not be processed in the order that You make them. Below is a general guideline on how We process transactions to Your consumer checking Account. You should read this disclosure carefully. If You have questions, please call Us at 877-325-2848 or visit any branch.

Checks - Each business day We receive a file of checks for Your Accounts from Our service provider. The file is posted in the evening of the same day. Checks are posted in the order that they are received in the file. Check deposits are posted as they are received and are subject to the Credit Union's Funds Availability Policy.

ACH - We download ACH files from the Federal Reserve Bank at certain points during each business day. Each business day morning We post ACH credits and debits dated for that day. Credits post first, then debits. We post three (3) additional times after the morning post has been completed; again, 02401461-D1014-C-1-121123 (D1014C-E) credits post first then debits. By 5pm Central Time each business day, the final ACH posting runs, again, credits post first then debits. Each business day evening any ACH credits that are pending for the next business day are posted.

Debit PIN/Point of Sale (POS) Debit Card Transactions - Debit PIN or POS transactions are transactions where You use Your Debit Card and enter a PIN number at the time of sale. PIN based transactions post in real time, when the card is swiped (or when You submit Your PIN as part of an online purchase transaction) and the transaction authorized, the posting occurs almost immediately after authorization and funds are immediately withdrawn from Your Account.

Debit Signature Transaction - Debit Signature Transactions are transactions where You make a purchase with Your Debit Card but instead of using a PIN, You are asked to sign or authorize that transaction by providing the code (CVV) on the back of Your card. Each transaction is authorized when the card is swiped (or when You submit Your debit card number as part of an online purchase transaction) and an authorization hold is placed on Your Account for the amount of the purchase. The duration of the hold is three (3) days. During this hold period We will receive from the network the transaction and Your Account is debited for the amount of the transaction. The authorization hold is dropped when the final transaction posts to Your Account.

ATM Transactions - Cash withdrawals made at an ATM are processed immediately. Deposits made at an ATM are processed on the next business day. ATM deposits are subject to the Credit Union's Funds Availability Policy.

#### **h. Your Consumer Checking Account Balance**

Your consumer checking Account has two kinds of balances: the "actual" balance and the "available" balance. Both can be checked when You review Your Account online, by calling the Credit Union, or by visiting a branch. It is important to understand how the two balances work so that You know how much money is in Your Account at any given time.

Your **actual** balance ("Actual Balance") is the amount of money that is actually in Your Account at any given time based on transactions that have "posted" to Your Account. The "actual" balance does not include transactions that have been authorized and are pending. The "actual" balance does not reflect any holds that have been placed on Your Account, and does not reflect the amount in Your Account that is available to pay items presented against the Account. Any purchases, holds, fees, other charges, or deposits made on Your Account that have not yet posted will not affect Your Actual Balance. For example, if You have a \$50.00 Actual Balance, but You just wrote a check for \$40.00 that has not yet been paid, then Your Actual Balance is \$50.00 but it does not reflect a deduction for the check that has not yet been paid.

Your **available** balance ("Available Balance") is the amount of money in Your Account that is available to pay items presented against the Account without incurring an overdraft or non-sufficient funds fee. The Available Balance is generally equal to the Actual Balance, less the amount of any holds placed on recent deposits, holds for other reasons, and holds for pending transactions (such as pending Debit Card purchases) that We authorized but that have not yet posted to Your Account. For example, assume You have an Actual Balance of \$50 and an Available Balance of \$50. If You were to use Your Debit Card at a restaurant to buy lunch for \$20 (without a tip), then that merchant could ask Us to pre-authorize the payment. In that case, We will put a "hold" on Your Account for \$20. Your Actual Balance would still be \$50.00 because this transaction has not yet posted, but Your Available Balance would be \$30 because We have been notified that there will be a \$20 charge to the restaurant. When the restaurant submits its charge for payment

(which could be a few days later and then include a tip), We will post the transaction to Your Account and Your Actual Balance will be reduced by the amount of the charge to the restaurant (\$20 plus any tip). The \$20 hold will be released around the same time, but not necessarily at exactly the same time.

Your Available Balance is used to determine when there are insufficient funds to pay an item presented for payment from Your consumer checking Account.

An overdraft occurs when You do not have enough in Your consumer checking Account to cover a transaction, and We pay the transaction anyway. If Your Available Balance is not sufficient to cover a transaction, We may pay the item and charge You an overdraft fee, as explained in this Agreement and in this Overdraft Policy. It is important that You understand that a transaction could still result in an overdraft even if Your available balance appears sufficient for the transaction at the time You make it. This is because Your available balance as it appears at a particular moment may not reflect transactions that You have authorized but that have not yet been paid.

If Your Available Balance is not sufficient to cover the transaction, the transaction will result in an overdraft regardless of whether Your Available Balance appeared sufficient at the time You made the transaction.

Your Available Balance may not reflect all Your outstanding checks, bill payments, or other transactions that You have authorized but have not yet been paid (or pre-authorized) from the Account. In the example above, the outstanding check will not reduce Your Actual Balance until it is presented to Us and paid from Your Account.

In addition, Your Available Balance may not reflect all of Your Debit Card transactions. For example, if a merchant obtains Our prior authorization but does not submit a one-time Debit Card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of Debit Card transactions), We must release the authorization hold on the transaction. Once the authorization hold is released, Your Available Balance will no longer be reduced by the amount of the transaction until such time as the transaction is received by Us and paid from Your Account. The amount of an authorization hold may also differ from the actual payment because the final transaction may not yet be known to the merchant when the authorization requested is submitted. For example and as noted above, if You add a tip to a final restaurant bill, that tip will not be deducted from Your Available Balance until the transaction posts to Your Account. This situation may also occur when You use Your debit card at gas stations and hotels. Sometimes these merchants may request We authorize a hold for less than or in excess of the final charge; for instance, if You provide Your debit card when You check into a hotel to pay for any incidentals, the hotel may request an authorization for several hundred dollars in anticipation of expenses You may incur during Your stay. When You check out of the hotel, that hold may be removed or posted for the exact amount of Your expenses. However, until that happens, the amount of the authorization requested by the hotel may be unavailable for use in Your Account to pay other items such as checks or other debit card transactions. We cannot control how much a merchant asks Us to authorize or when a merchant submits a transaction for payment. In addition, authorization holds for debit card transactions placed on sufficient available funds do not guarantee that an overdraft will not occur. Intervening transactions may occur after a pre-authorization that reduces the Available Balance before the final debit card transaction posts to the Account. If this results in an Available Balance that is insufficient to cover the pre-authorized debit card transaction when it posts to Your Account, You will be overdrawn, but We will not charge You an overdraft fee if Your Available Balance was sufficient at the time We authorized the transaction.

The best way to avoid overdraft is to record and track all of Your transactions at close of each day.

#### **i. Dishonoring and Return Checks**

Should We dishonor and return a check, draft or item drawn on an Account with insufficient funds, Your consumer checking Account will be charged a fee for the dishonored and returned check, draft or item as stated in the Truth-In-Savings and Service Charge and Fee Schedule disclosures. You understand that We may be presented with a particular check, draft or item multiple times as the presenting party attempts to have the check, draft or item paid. You further understand that We are unable to control how many times a presenting party may present the same check, draft or item to Us. If We are presented with a check, draft or item that We have already dishonored and returned and Your Account still lacks the funds to pay such check, draft or item, You will again be charged a fee for the dishonored and returned check, draft or item. This could result in multiple returned item fees being assessed to Your Account for the same check, draft or item. You also understand and agree that We are not liable if We refused to pay a check, draft or item drawn on Your consumer checking Account and return it when non-payment occurs as a result of Our charging Your Account for any obligation You owe Us. Finally, We are repeatedly presented with checks, drafts, items or transfers drawn on Your consumer checking Account for insufficient funds, We may consider that account abuse and may close Your Account under this Agreement.

#### **j. Opting Out of Courtesy Pay, Debit Card Courtesy Pay or Overdraft Transfer Plan**

You can opt out of the Courtesy Pay, Debit Card Courtesy Pay or Overdraft Transfer Plan for any consumer checking Account at any time by changing Your Account elections in Mobile Access or Online Access, calling 877-325-2848, e-mailing Us, or visiting a branch. If You cancel or opt out of Your Overdraft Transfer Plan and You have linked your consumer checking Account to a line of credit, You are still obligated to repay any obligation under Your line of credit. Opt out may take up to three (3) business days to become effective. If You have both Courtesy Pay and Debit Card Courtesy Pay and elect to opt out of Courtesy Pay, You will automatically lose Debit Card Courtesy Pay coverage. For Courtesy Pay, if You opt out, You can choose to "opt back in," but We require a minimum of thirty (30) days to elapse between the time You opt out and the time You may opt back in. For Debit Card Courtesy Pay, if You opt out, You may "opt back in" at any time.

#### **k. Returned Checks Deposited into Your Account**

Should You deposit a check into Your Account and the check is returned to Us, We will reduce Your balance (both Actual and Available) for the amount of the returned check, but We will not charge You a fee.

#### **l. Questions**

If You have questions about Courtesy Pay, Debit Card Courtesy Pay or Overdraft Transfer Plan programs, contact Us at 877-325-2848 or stop by any branch.