

Overdraft Policy – effective 1/1/2019

As a service to account holders and to help avoid the significant fees that may be charged by third parties for unpaid items, Community First Credit Union offers its members Overdraft Privilege coverage. It is the obligation of Community First Credit Union 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. Some of the account criteria evaluated are:

- Age of Account
- Deposits Amounts
- Deposit Regularity
- Previous Overdraft Activity
- Account Status relating to any legal or administrative order or levy
- Status of Loan **and other** obligations with the institution

When an account has insufficient funds, a fee may be charged in accordance with our Fee Schedule for every check, debit card transaction, ATM withdrawal or ACH whether the item is paid or returned unpaid.

Community First Credit Union is not obligated to cover any overdrafts if the account does not contain sufficient actual and/or available funds. Furthermore, service charges assessed against the account do not obligate Community First Credit Union to pay the charge, nor does it obligate Community First Credit Union to provide prior written notice of the decision to refuse payment.

You are responsible for the amount of any overdraft and applicable fees immediately should a check be submitted or a transaction be made for funds exceeding what is available in the account. It is your obligation to keep your account in good standing with Community First Credit Union and to bring your account to a positive balance immediately should an overdraft occur, without notice or demand from Community First Credit Union.

Overdraft Privilege Opt Out - If you prefer that Community First Credit Union not honor any items when there are not sufficient funds in your account, you may opt out of this discretionary service by contacting Community First Credit Union and expressing this preference. You are fully aware that without this discretionary service or some other form of overdraft protection, such as an account transfer or line of credit (which is offered to qualified accounts), any items presented that overdraw your account may be returned unpaid with the applicable NSF fee charged to your account for each item. If you opt out of Overdraft Privilege, you will still be charged our returned item fee. Members who receive a 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.

The Consumer Membership and Account Agreement prescribes your duties, obligations and rights, as well as the authorized signatories and Community First Credit Union with regard to the account. The terms of the Consumer Membership and Account Agreement supersedes the Overdraft Policy in any potential conflict.

Transactions Eligible for Overdraft Privilege - Overdraft Privilege will be available for checks, ACH transactions, preauthorized automatic transfers, internet banking, and telephone banking. Overdraft Privilege will **not** be available for ATM and everyday debit card transactions **unless** you authorize the Credit Union by completing an ATM/Debit Card Consent Form.

NOTE: Holds placed on your account, including, but not limited to, for pending electronic transactions, such as hotel or rental car deposits, holds placed on any deposits to your account, holds placed on any account for delinquent loans of lines of credit, any pledges to your account and any minimum account balance requirements may reduce your available balance and may cause your account

to be overdrawn regardless of your actual balance. The Credit Union can decide whether an overdraft occurs based on your available balance or your actual balance as determined by the Credit Union in its sole discretion from time to time. However, you should assume that any item which would overdraft your account based on your then-current available balance or actual balance may create an overdraft. The Credit Union's use of the actual balance or available balance as described above will affect the Credit Union's determination of an overdraft or potential overdraft for any purpose, including, but not limited to, rejection of attempted items for NSF, transfers pursuant to any overdraft protection plan and coverage under the overdraft program and any fees or charges related to such overdrafts and transfers.

Financial Education - The Credit Union believes that financial literacy and education helps members make informed decisions. There are several free resources available to you to help bring a heightened awareness of personal financial responsibility. These free resources are available by the federal government and provide federal financial literacy and education programs as well as federal financial information materials. Please visit **www.mymoney.gov** or call **1.888.MYMONEY** for more information.

Account Agreement - Your Consumer Membership and 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.

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 Consumer Membership and 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.

Effective Date - All information listed in this disclosure is effective as of January 1, 2019.