

## Overdraft Policy - effective 5/1/2017

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 strives to pay account holders' overdrafts when possible. 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. The account criteria evaluated are:

- Age of Account
- Deposits Balances
- 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 \$33 fee is charged for every non-sufficient fund item whether the item is paid or returned unpaid.

Community First Credit Union 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 against the account, does not obligate Community First Credit Union to pay said request for funds, nor does it obligate Community First Credit Union 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 Community First Credit Union and to bring their account to a positive balance immediately should an overdraft situation occur, without notice or demand from Community First Credit Union.

If the account holder would prefer that Community First Credit Union 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 Community First Credit Union and expressing this preference. The account holder is 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 the account may be returned unpaid with the applicable non-sufficient fund fee charged to the account for each item.

The Depositor's Account Agreement prescribes the duties, obligations and rights of the Depositor, as well as the Authorized Signatories and Community First Credit Union with regard to the account. The terms of the Depositor's Account Agreement supersedes the overdraft policy in any potential conflict of interests.

**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: If you have consented to Overdraft Privilege for ATM transactions, please verify your balance before initiating an ATM cash withdrawal. All overdrafts will be subject to our \$33 overdraft fee for each withdrawal until the account returns to a positive balance.

**Overdraft Privilege Opt Out** - You may never need to take advantage of Overdraft Privilege, but you may find it useful in the event of a temporary shortfall. If you do not want to have Overdraft Privilege, simply contact us and we will provide you an opt out form to remove this benefit from your account. It is important for you to consider that there is no additional cost for Overdraft Privilege and that by opting out you are instructing us to return unpaid all items presented against insufficient funds.

If you opt out of ODP, you will still be charged our \$33 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.

**Payment Order of Items** - The order in which items are presented may affect the total fees assessed to your account. The first items that we pay are ATM withdrawals, debit card transactions, and any checks cashed by our employees or that you have written to us. We then pay any items that were submitted electronically, such as ACH items, preauthorized automatic transfers, telephone-initiated transfers and any other electronic transfers. Finally, we pay the remaining items sequentially as they are presented.

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.

**Financial Education** - The Credit Union believes that financial literacy and education helps member make informed decisions. Heightened awareness of personal financial responsibility helps members realize the benefits of responsible money management, understanding the credit process and the availability of help if problems occur. **www.MyMoney.gov** is the federal government's website that serves as the one-stop shop for federal financial literacy and education programs, grants and other information. **1.888.MyMoney** is the federal government's toll-free hotline accessible to the public seeking information about federal financial education materials.

**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 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.

**Remedy** - 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.

**Effective Date** - All information listed in this disclosure is effective as of May 1, 2017.