

# IMPORTANT INFORMATION ABOUT HFCU'S COURTESY OVERDRAFT PROTECTION SERVICES

The following important information covers elements of HFCU's Courtesy Overdraft Protection services. The words "you" and "yours" refer to any signer on the account. The words "we," "us," and "our" refer to the Credit Union. The word "account" refers to any one (1) or more share or other accounts you may have with the Credit Union.

**Courtesy Overdraft Protection Services are Discretionary Services.** HFCU's Courtesy Overdraft Protection Services does not constitute an actual or implied agreement between you and HFCU. Nor does it constitute an actual or implied obligation of or by HFCU. HFCU will not be obligated to pay any item presented for payment when your account does not contain sufficient available and/or collected funds. These services represent a purely discretionary courtesy privilege that HFCU may provide to you from time to time and which may be withdrawn without prior notice, reason or cause. *The Credit Union may refuse to pay an overdraft at any time, even though the account is in good standing and even though the Credit Union may have previously paid overdrafts for that account and/or member.*

**You Authorize.** You authorize us to review your account, credit and employment history, and obtain reports from third parties, including credit reporting agencies, to verify your current and continued eligibility for the accounts and services you request.

**Fees Charged.** Normal fees and charges including, without limitation, non-sufficient funds (NSF) or overdraft (OD) fees will be assessed as set forth in the HFCU Fee Schedule and will be charged for each transaction initiated for payment from a checking account that does not have sufficient available and/or collected funds on deposit. Typically, you will be charged the normal NSF or OD fee whether an overdraft item is paid or returned unpaid.

Any and all fees and charges, including without limitation, NSF and/or OD fee (as set forth in the HFCU Fee Schedule) will be included in the overdraft limit and will apply to any transaction that overdraws the account including, but not limited to, payments authorized by checks, ACH/ electronic items, HFCU-owned and foreign ATMs, debit card, home banking, bill payment and telephone audio response banking transactions. It may be possible that your account will become overdrawn in excess of the Overdraft Protection amount as a result of the assessment of a fee.

**Courtesy Overdraft Protection Limit.** Generally, a limit of \$750 may be available for qualifying accounts for the Basic Courtesy Overdraft Protection service regardless of whether the account participates or not in the Enhanced Courtesy Overdraft Protection service.

**Your Responsibility.** The amount of any overdrafts plus the NSF and/or OD fee(s) that are owed on your account is considered due and payable immediately but not more than 30 days from when the account became overdrawn. If there is an overdraft paid by HFCU on an account with more than one (1) owner or authorized signer as noted on the account card, each owner, and agent if applicable, drawing/presenting the item creating the overdraft, shall be jointly liable for such overdraft(s) plus the NSF and OD fee(s).

**Membership and Account Agreement.** At the time an account is opened, a Membership and Account Agreement is provided to you. The agreement controls the duties, obligations and rights of the account owners, the authorized signatories and HFCU with regard to member accounts. The Membership and Account Agreement (and all amendments) and its terms shall control possible conflict(s), if any, between these discretionary services and the Membership and Account Agreement. A copy of the Membership Account Agreement and Disclosure is available to you on request from HFCU.

**Non-Eligible Accounts for Courtesy Overdraft.** Savings, Money Market, Public Funds, Charitable Organization, and Minor accounts are not eligible for HFCU's Basic or Enhanced Courtesy Overdraft Protection. HFCU may limit the number of accounts eligible for courtesy overdraft protection to one account per household and one account per taxpayer ID.

**Notification of Your Items Paid or Returned.** You will be notified by mail or any other method of notification agreed upon by both you and the Credit Union of any non-sufficient funds items paid or returned; however, we will have no obligation to notify you before we pay or return any item.

**Opt-In and Opt-Out.** For the Enhanced Courtesy Overdraft Protection service to be available on your account *you must Opt-In* for the service. You are free to Opt-Out of the Enhanced, the Basic Courtesy Overdraft Protection or both at any time.

**Order of Your Payments.** Checks, drafts, items and other transactions may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, draft or item and execute other transactions on your account in any order we choose. The order in which we process checks, drafts and items and execute other transactions on your account may affect the total amount of overdraft fees that may be charged to your account. Please contact us if you have questions about how we pay checks or drafts and process transfers and withdrawals.

HFCU will not pay overdrafts for ATM or everyday debit card transactions unless you have opted in Enhanced Courtesy Overdraft Protection service for the payment of these overdrafts. In order to avoid overdrafts due to ATM and everyday debit card transactions, HFCU will place a hold on your account for any ATM or everyday debit card transactions authorized until the transaction settles. ATM and everyday debit card transactions usually settle within two business days after the transaction is authorized. The amount of the hold will be for the amount authorized, or as permitted under applicable payment network rules. Holds on authorized ATM and everyday debit card transactions will be removed prior to settlement where required by applicable payment network rules.

**How You Can Qualify for Courtesy Overdraft.** For HFCU to consider payment of transactions under the Courtesy Overdraft Protection services, you and your account(s) must satisfy the following criteria.

- You must be at least 18 years of age and
- Your account must be open for at least (30) days and
- Your account must be in "good standing"

Some examples of an account in "good standing" include but are not limited to:

- You demonstrate responsible account management such as
  - making regular deposits in the account at least once every thirty (30) calendar day period;
  - depositing at least \$500 or more in the account within each thirty (30) calendar day period and
  - bringing your account(s) to a positive balance (not overdrawn) at least once every thirty (30) calendar day period (including payment of all Credit Union fees and charges);
- You are not in default on any loan obligation to the Credit Union; and
- Your account(s) is not the subject of any legal or administrative order or levy such as a bankruptcy or tax lien.