

### **Summit Credit Union Overdraft Privilege Disclosure**

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 Payment options:**

**Transfer from another account** - If you have other accounts with us, you can authorize us to transfer the funds needed to cover your overdraft.

**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 varies.

**Overdraft Privilege** - Overdraft Privilege is a service we add to your checking account to cover overdrafts to a set limit, subject to the eligibility criteria as explained below. While we reserve the right to unilaterally refuse to pay any item that is presented, with Overdraft Privilege we will generally pay your overdraft items up to \$400.00. Whether overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if an account is not in good standing, if the member is not making regular deposits, or if they have too many overdrafts. When we pay overdraft items for you, you will be charged our normal overdraft fee, currently \$29.00, for each item that is presented. Both the amount of the overdraft items and all applicable fees, including but not limited to the \$29.00 overdraft fees, are included in this limit.

**Eligibility** - No application is required for the Overdraft Privilege; eligibility is based on you managing your checking account in a responsible manner. You will be eligible for the Overdraft Privilege unless:

- You do not bring your account to a positive balance at least once every 30 days.
- You are more than 14 days past due on any Credit Union loan or delinquent on any other obligation to the Credit Union.
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding.
- You have an outstanding balance on an Overdraft Repayment Plan.
- An extended hold is being placed on your checking account or any other account relationship, in which case the Overdraft Privilege will automatically be suspended without prior notice.
- You are a minor.
- A ChexSystems or any other negative indicator is present.
- You have an account that has been opened less than 60 days, or if you were overdrawn for more than 5 consecutive days during the first 60 days that your account was open.
- Your account is a Debit Card Checking Account, Business Checking Account, Fiduciary Trust Account or Escrow Account.
- Your account is classified as dormant.

**Suspension of Privilege** - After the Overdraft Privilege has been activated, we have the right to suspend the privilege at any time based on failure to meet our eligibility criteria. We also reserve the right to suspend the privilege if we believe you are not managing your account in a responsible

manner which may harm you or us. In that case, we may suspend your Overdraft Privilege even if you meet all the criteria listed above.

**Transactions Covered by Overdraft Privilege** - The Overdraft Privilege is available for checks you write that process through the Federal Reserve and ACH items.

**Payment Order of Items** - The first items that we pay are any checks cashed by our employees or that you have written to us. We then pay any items that were submitted electronically, such as ATM withdrawals, ACH items, any debit card transactions, preauthorized automatic transfers, telephone-initiated transfers and any other electronic transfers. Finally, we pay the remaining items based on the dollar amount of the check from smallest dollar amount to the largest dollar amount.

**Opt In / Opt Out** - You may never need to take advantage of these overdraft checking account payment options, but you may find them useful in the event of a temporary shortfall. Effective 4/1/2010, you must opt in to the Overdraft Privilege service when opening a checking account in order to have access to the service. In the event that you do not want to have Overdraft Privilege, simply opt out or contact us and we will remove this benefit from your account.

**Additional Information** - 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.

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 1/1/2011.