

# OVERDRAFT PRIVILEGE POLICY

LorMet Community Federal Credit Union (“we, us or our”) offers the Overdraft Privilege Plan. If your account qualifies for Overdraft Privilege, we will consider, without obligation on our part, paying items for which your account has insufficient or unavailable funds, instead of automatically returning those items unpaid. This document explains how Overdraft Privilege operates.

## Transactions that May Qualify for Overdraft Privilege

An overdraft occurs when you do not have enough money in your account to cover a transaction. Although there are many reasons why your account might become overdrawn, most overdrafts result from the following:

- a) You write a check, swipe your debit card or initiate an electronic funds transfer in an amount that exceeds the amount of funds available in your account;
- b) You deposit a check or other item into your account and the item is returned unpaid, which causes a negative balance in your account once your balance is reduced by the amount of the returned check;
- c) You have inadequate funds in your account when we assess a fee or a service charge; or
- d) You initiate a transaction before funds deposited into your account are “available” or “finally paid” according to our Funds Availability Policy. For example, if you deposit a check into your account, the proceeds of that check may not be available to you for up to five days after you deposit the check. If you do not have sufficient funds in your account - independent of the check - to cover the transaction, you will incur an overdraft.

The Overdraft Privilege Plan applies to a variety of transactions, including checks and other transactions made using your checking account number, automatic bill payments, ATM transactions and everyday debit card transactions; however, we will not include ATM and everyday debit card transactions within our Overdraft Privilege Plan without first receiving your affirmative consent to do so. Absent your affirmative consent, ATM and everyday debit card transactions generally will not be paid under Overdraft Privilege.

Participation in Overdraft Privilege is not mandatory. You may opt-out of the service any time by notifying one of our Member Service Representatives. Furthermore, you may revoke your affirmative consent to have ATM and everyday debit card transactions considered for payment under Overdraft Privilege without removing other items from the service. Simply inform us of your preference.

As noted above, we retain full discretion to decline to pay any item under the Overdraft Privilege Plan. This means we can refuse to pay any overdraft for any reason. Even if we decide to pay an overdraft item, absent an agreement to the contrary, such payment does not create any duty to pay future overdrafts. If we do not authorize and pay an overdraft, your transaction will be declined and we may assess NSF fees on your account in accordance with your account agreement and the fee schedule in effect at the time of the overdraft.

## Fees

For each overdraft we pay, we will charge the standard per item overdraft fee set forth in our fee schedule (currently **\$32.00**). We will notify you by mail if we pay or return any insufficient or unavailable funds items on your account; however, we have no obligation to notify you before we pay or return any item. The amounts of any overdrafts, including our fees, are due and payable immediately or on demand.

## Accounts Eligible for Overdraft Privilege

Overdraft Privilege is a discretionary service and is generally limited to a \$400 overdraft (negative) balance for eligible personal checking accounts. Overdraft Privilege is only permitted on the following share draft account types: Everywhere Plus (13), Classic Checking (17), Legacy Checking (18), and Everywhere Checking (19). Please note that per item overdraft fees count toward your Overdraft Privilege Limit. We, in our sole discretion, limit the number of accounts eligible for Overdraft Privilege to one account per household or per taxpayer identification number. Further, Overdraft Privilege is usually extended only to accounts in good standing. An account in good standing exhibits, but is not limited to, the following characteristics:

- a) The primary account holder is older than 18 years of age;
- b) The account has been open for at least thirty (30) days;
- c) The account has deposits totaling at least \$500 or more within each thirty (30) day period;
- d) The account does not have charged off loans;
- e) The primary share is not negative;
- f) The account owner is no more than thirty (30) days delinquent on all loan obligations with us; and
- g) The account is not subject to any legal or administrative order or levy, such as bankruptcy or tax lien.

We offer another overdraft payment service in addition to Overdraft Privilege. We offer Automatic Transfers from Savings. With Automatic Transfers from Savings, your LorMet checking account is automatically linked to your Primary Savings account and we will first transfer funds from this savings account. If this occurs, you will save money on the total fees you pay us for overdraft protection services.

Overdrafts should not be used to pay ordinary or routine expenses and you should not rely on overdrafts as a means to cover these expenses. If at any time you feel you need help with your financial obligations, please contact one of our Member Service Representatives at 440-960-6600.