

## Courtesy Overdraft and Card Overdraft Disclosure

This disclosure is a part of your **iQ Credit Union** Membership and Account Agreement and incorporates the Service Pricing Schedule.

Courtesy Overdraft is a service that allows **iQ Credit Union** to pay a check, ACH or Bill Payer item presented against your checking account even if it causes the account to be overdrawn. Card Overdraft is a service that once you Opt-In, allows iQ Credit Union to pay an ATM or everyday debit card item presented against your checking account, even if it causes the account to be overdrawn. Overdraft protection starts only after all other overdraft protection services on your account have been maximized. Overdraft protection is not an invitation to overdraw your account. It is to be used as a safety net for occasional errors or in an emergency.

With Courtesy Overdraft and Card Overdraft, qualified members in good standing may be given the ability to overdraw their checking accounts up to \$500. As long as you maintain the account in good standing, the Credit Union may pay items up to the authorized limit.

An account number must be open at least 45 days and be considered in good standing. Good standing includes making regular deposits sufficient to cover transactions, not allowing the account to be overdrawn more than 30 days, having no legal orders, such as levies or garnishments against the account, having no **iQ Credit Union** loan past due more than 30 days and there must be a valid mailing address on the account. In addition, if there is a ChexSystem record on any signer on the account, it must be at least one year old. If all conditions of good standing are met, the Credit Union, at its sole discretion, may pay overdrafts up to the \$500 limit. The \$500 limit includes our normal fee for Insufficient Funds Items and payments made under the Courtesy Overdraft and Card Overdraft programs (See example below). A fee is assessed whether we pay the item or return it. The fee will be either an Insufficient Funds charge or a Courtesy Overdraft/Card Overdraft Charge. You will not be charged for both fees, however.

### Courtesy Overdraft:

No action is required on your part as this is a non-contractual courtesy for the Credit Union to pay overdrafts. As it is not a loan, no agreements need to be signed. There is no cost to the program unless Courtesy Overdraft is used. Courtesy Overdraft can start when a check, electronic funds transfer (ACH), Bill Payer transaction or an in-branch check cashing transaction occurs for more than is on deposit in the account and/or more than approved overdraft protection services have available. The item can be paid at the sole discretion of the Credit Union and the usual Non-Sufficient Funds or Courtesy Overdraft fee for each item will be charged.

### Card Overdraft:

You must Opt In to Card Overdraft service in order for the Credit Union to pay overdrafts. It is not a loan, however, your consent is needed to begin. There is no cost to the program unless Card Overdraft is used. Card Overdraft can start when an everyday Visa debit transaction, Point-of Sale (POS) transaction, or ATM transaction occurs for more than is on deposit in the account and/or more than approved overdraft protection services have available. The item can be paid at the sole discretion of the Credit Union and the usual Non-Sufficient Funds or Card Overdraft fee for each item (up to three fees per day) will be charged.

You will receive a notice every time any overdraft occurs. We reserve the right to pay any checks or items in the order they are presented or received or otherwise in accordance with our normal operating procedures for such checks, items, or transactions. The order in which items are charged to the account may affect the number of fees you pay.

In the normal course of business, we generally pay ACH (high to low), checks (high to low) and then electronic transactions (low to high). However, we reserve the right to change the order of payment without notice to you at any time and for any reason. Also, please be aware that the order of item payment may create multiple overdraft items during a single banking day for which you will be charged \$28 for each overdraft item paid. There is a limit of three fees per day for Card Overdraft transactions.

We strongly recommend you check your ATM balance before making a withdrawal to avoid a fee (Card Overdraft balances are NOT included in your available balance).

You agree your overdraft balance, including applicable overdraft fees, is due and payable immediately. If there is more than one owner on an account, all owners are jointly and severally liable for repayment of the overdraft balance. If you fail to repay your overdraft balance within 30 days of notice from us or have excessive use of overdraft protection, we may immediately suspend the overdraft service. Accounts may be closed for failure to repay overdraft balances and we will report account closures to consumer reporting agencies. You may revoke or opt-out of our Courtesy Overdraft and Card Overdraft programs at any time. This request can be from any owner on the checking account.

Example of how available limit works: An ACH debit for \$250.00 and a check for \$75.00 are received and the checking account balance is \$100 (there is no other overdraft protection available). The Credit Union pays both items and charges the Courtesy or Card Overdraft fee on each item (currently \$28.00 per item but subject to change). The checking account balance is now negative \$281.00 ( $\$100 - \$250 - \$28 - \$75 - \$28$ ). The Courtesy Overdraft coverage available is now \$219.00 ( $\$500 - \$281$ ).