



NAFT Federal Credit Union
Overdraft Advance Disclosure

NAFT Federal Credit Union's Overdraft Advance is a discretionary overdraft protection service offered to our members on their personal share draft (checking) account. An overdraft occurs when there are not enough available funds in the checking account to pay a transaction presented for payment. When this happens and there is no other form of overdraft protection available, rather than returning the item to the payee and charging a non-sufficient funds (NSF) fee (plus any returned payment fees charged by the payee), this service may provide members in good standing with the privilege to have the transaction paid and charged to their checking account. If you are approved for this service, NAFT Federal Credit Union may honor overdrafts on individual checking accounts, subject to certain conditions and limitations as set forth in this disclosure. NAFT Federal Credit Union may subtract an Overdraft Advance fee of \$25.00 for each overdraft honored upon presentment. More than one Overdraft Advance fee may be charged against an account per day, depending on the number of checks presented for payment and other withdrawals made from the account, so it is important to carefully manage your checking account to avoid overdraft fees. Transactions may not be processed in the order in which they occur and the order in which the transactions are received and processed by the Credit Union can affect the total amount of Overdraft Advance fees incurred. Refer to the Overdraft section of the Membership and Account Agreement ("Account Agreement") for more information about the payment order of items.

Overdraft Advance is a non-contractual courtesy between NAFT Federal Credit Union and its members. NAFT Federal Credit Union has the right to discontinue or modify the program or withdraw any share draft account from the program at any time based on poor performance of the account, failure of the member to cover the overdrafts, or for any other reason in its sole discretion. NAFT Federal Credit Union also has the right to limit participation to one account per household. NAFT Federal Credit Union has the option to either honor the overdraft or return the item for insufficient funds even though we may have previously paid overdrafts for the member. Any discretionary payment of any overdraft does not obligate or create an agreement or course of dealing of NAFT Federal Credit Union to pay any additional NSF item in the future. There is no interest charged on any overdraft or unpaid overdraft charge. There will be no late charges or other fees other than the Overdraft Advance charge. We have no obligation to notify you before we pay or return an item, even if we have paid items for you in the past.

Overdrafts are determined by subtracting each transaction from the member's AVAILABLE funds on deposit in the member's Share Draft Checking Account at the time the transaction is presented for payment. If there are insufficient funds

to pay a transaction from the AVAILABLE balance of the account and the transaction is honored, the honored transaction is considered an overdraft.

It is important that you understand that transactions from your account are processed as they are presented for payment. If numerous transactions are simultaneously presented, the Credit Union will pay the transactions in a manner designed to minimize Overdraft Advance Fees.

Available balances, not including the overdraft limits, will be made available at the ATMs, on the Telephone Teller, and on Home Financial Services unless the computer systems or networks are down for any reason

Overdraft Advance Alternatives: There are several alternative services that may assist members in avoiding overdrafts and Overdraft Advance Fees. For example, set up low balance alerts on Card Valet or on Bank365, our home banking platform, request a short-term loan, get a cash advance against a credit card, enroll in automatic transfer from other accounts you may have at the Credit Union, keep an updated ledger balance for your account, obtain financial counseling, etc.

Overdraft Advance is not a line of credit and is not guaranteed, so members should never depend on this service to pay their transactions. However, if you are approved for this service, we will strive to pay your occasional and inadvertent overdrafts when no other form of overdraft protection is available, subject to our limits and payment of the Overdraft Advance fee.

All members 18 years of age and older are eligible for the Overdraft Advance service if their share draft account has been open for 90 days or more and remains in good standing as determined by the credit union. Good standing is defined as, without limitation, a member:

- Making regular deposits to their share draft checking account,
- Bringing their share draft checking account to a positive balance at least once every 30 days,
- Not being more than 6 days past due on a loan with NAFT Federal Credit Union,
- Not having caused a loss to NAFT Federal Credit Union and not subject to any legal or administrative order or levy, and
- Having the minimum balance required for membership in their share account.

Members are subject to a maximum Overdraft Advance limit, including Overdraft Advance fees, of \$300.00. (OVERDRAFT ADVANCE FEES OF \$25.00 PER OVERDRAFT ARE INCLUDED IN THE OVERDRAFT ADVANCE LIMIT). Primary and/or joint owners may request and/or remove their account(s) from the Overdraft Advance program at any time by contacting us. Primary and all other owners shall be jointly and completely responsible for all overdrafts, including the Overdraft Advance fee.

<p>The following transactions will be covered under Overdraft Advance:</p> <ul style="list-style-type: none"> • ACH debits and withdrawals • Checks issued to a third party 	<p>The following transactions will not be covered under Overdraft Advance:</p> <ul style="list-style-type: none"> • Cash withdrawals at any credit union facility (including ATMs) • Point of Sale (POS) transactions
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Members who currently have other forms of overdraft protection, such as Overdraft Protection Transfers from a share (savings) account, will continue to have access to those services prior to accessing Overdraft Advance. Applicable transfer and excessive withdrawal fees will be assessed according to the credit union's rate and fee schedule.

The Member can opt out of the Overdraft Advance service at any time by signing the Option to Waive Overdraft Advance Service that appears below or can be obtained later from the Credit Union.

In addition, if the account is overdrawn for more than 30 consecutive days or if the overdrawn amount (including fees charged) exceeds \$300.00 the member will be restricted from all transactions other than loan payments until the overdrawn balance is brought positive.

Service Revocation: Eligibility for the Credit Union’s Overdraft Advance service may be revoked for the following reasons:

- The service is being abused as described in this policy.
- Member is not in good standing with the Credit Union.
- Member’s account has been overdrawn for over 30 days
- Member’s loan is more than 6 days past due.
- Member has defaulted on a loan contract with the Credit Union.
- Member has caused a loss to the Credit Union.
- Member is subject to a legal or administrative order or levy.
- Member’s share account is below the minimum required balance for membership.

We want our members to understand how our Overdraft Advance and Overdraft Protection services work so that you can manage your accounts effectively and avoid overdraft fees. Please refer to the Account Agreement for additional information about our overdraft services. If you have any questions regarding the services or if you are having trouble managing overdrafts on your account, please contact us for assistance.

Enrollment Request for Overdraft Advance Services

I hereby enroll in Overdraft Advance Services. I understand that NAFT Federal Credit Union will cover overdrafts on my share draft (*checking*) account through the Overdraft Advance Service and that any item(s) presented against insufficient funds will be paid and a fee of \$25.00 will be assessed.

Signature: _____ Date: _____

Name: _____ Member Number: _____

Date of Member's 18th Birthday: _____

Option to Waive Overdraft Advance Services:

I hereby Opt out of Overdraft Advance Services. I understand that NAFT Federal Credit Union will not cover overdrafts on my share draft (checking) account though the Overdraft Advance Service and that any item(s) presented against insufficient funds will be returned unpaid with applicable NON-SUFFICIENT FUNDS fee(s) assessed. Additionally, I understand that if I authorize to have Overdraft Advance services extended to me in the future, I must meet the eligibility requirements at that time.

Signature: _____ Date: _____

Name: _____ Member Number: _____

What You Need to Know about Overdrafts and Overdraft Fees

An overdraft occurs when the available balance of your account is insufficient to cover a transaction, but we pay it anyway. Your available balance is generally equal to the actual balance, minus the total amount of holds placed on recent deposits or pending transactions (such as debit card purchases) that have been authorized but are pending final settlement and have not yet posted to your account. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices (ODA) that come with your account.
2. We also offer overdraft protection services (ODP), such as a link to a savings account which may be less expensive than our standard overdraft practices. To learn more, ask us about these services.

This notice explains our standard overdraft practices (ODA).

➤ **What are the standard overdraft practices that come with my account?**

We **do** authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number.
- Automatic bill payments (ACH debits).

We **do not** authorize and pay overdrafts for the following types of transactions unless you ask us to:

- ATM terminal transactions.
- Everyday non-recurring debit card transactions.

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.

If we do not authorize and pay an overdraft, your transaction will be declined.

➤ **What fees will I be charged if NAFT Federal Credit Union pays my overdraft?**

Under our standard overdraft practices (ODA):

- We will charge you a fee up to **\$25** each time we pay an overdraft.
- There is no limit on the total fees we can charge you for overdrawing your account.