



Consumer Overdraft Privilege Program (OPP) Policy & Disclosure

Effective January 1, 2024

An overdraft occurs when you do not have enough funds available in your checking account to cover a transaction. If an item is presented without sufficient funds, we may at our discretion, pay the item (creating an overdraft) or return the item as non-sufficient funds (NSF).

1. We provide **Overdraft Savings Transfers** that are included at no additional cost with your checking account. To learn more, see below or ask us about this feature.
2. We offer a Money **Line of Credit** (LOC), which requires credit approval and may be less expensive than our fee-based overdraft program, Overdraft Privilege Program. To learn more, ask us about this plan or visit our website at www.memberonefcu.com.
3. We also offer an **Overdraft Privilege Program (OPP)**.
 - Courtesy Pay (CP)
 - Courtesy Pay Plus (CPP) – must opt-in to activate this privilege.

It is the policy of Member One Federal Credit Union (“Credit Union”) to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

OPP is not a line of credit. However, if you inadvertently overdraw your account, we will have the discretion to pay the overdraft, subject to your OPP limit and the amount of the courtesy pay fee. The Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by Member One Federal Credit Union of an overdrawn share draft (or items, such as ATM withdrawals) does not obligate the Credit Union to pay any other overdrawn share draft (or item) regardless of how frequently or under what circumstances the Credit Union has paid overdrafts on your account in the past, or to provide prior notice of its decision to refuse to pay such share draft (or item).

Under Courtesy Pay (CP), we may pay checks, Automated Clearing House (ACH), Bill Pay, and recurring Debit Card transactions presented against your checking account when enough funds are not available to cover the transaction(s). We will not authorize and pay overdrafts for the following types of transactions unless you opt-in to Courtesy Pay Plus (CPP):

- ATM withdrawals
- Everyday debit card transactions (such as one-time debit card and ATM card purchases)

To qualify for the program, you must be at least 18 years of age; checking account must be opened for 60 days and account in good standing which includes:

- Bringing your account to a positive balance within a thirty (30) day period for a minimum period of 24 hours
- No delinquencies, charge offs, or legal orders against your Member One account(s)
- No return mail, dormant, or inactive status on your Member One account

Once you review this disclosure and you would like to opt-in to Courtesy Pay Plus (CPP) please contact us at 1-800-666-8811 or visit a branch representative at one of our convenient locations.

STANDARD PRACTICE AND FEES

1. A Courtesy Pay fee may be assessed each time Courtesy Pay is used to pay an overdraft.
2. A Non-sufficient Funds (NSF) fee will be assessed for any returned (unpaid) item or overdrawn status.

Refer to the Consumer Fee Schedule for fees assessed with this service.

This privilege will generally be limited to a \$300.00 or \$800.00 overdrawn (negative) balance for members enrolled in Courtesy Pay and Courtesy Pay Plus depending on the checking type opened on the account. Any and all fees and charges, including without limitation the courtesy pay fees (as set forth in our Consumer Fee Schedule), may cause the account to become overdrawn in excess of the maximum amount.

Having the OPP does not guarantee that we will pay overdrafts. Member One FCU pays overdrafts at our discretion. If we do not authorize and pay an overdraft, your transaction will be declined and/or your check/ACH will be returned, unpaid and an NSF fee will be assessed.

The fee for each paid overdraft is outlined on our Consumer Fee Schedule. There is no fee for the Overdraft Privilege Program (OPP). If we do not pay the overdraft, there is an NSF/Overdraft fee per check or item. If a check or item is re-presented for payment and there are not sufficient funds to pay for the check or item, a fee will be assessed each and every time the check or item is re-presented for payment. There is no limit on the number of overdrafts paid, overdraft fees, or courtesy pay fees incurred on any one day. These fees may be amended as set forth in our Consumer Fee Schedule.

OVERDRAFT SAVINGS TRANSFERS

If your checking account does not have sufficient funds to cover a check or ACH transaction, we will first attempt to pay the overdraft at no charge through Overdraft Savings Transfers from your primary share account (your membership savings account), provided it has sufficient funds available, before using OPP. Through Overdraft Savings Transfers, we will only use funds from the primary share account to pay a check or ACH overdraft transaction if there are sufficient funds available in the savings account to cover the full amount of the overdraft transaction.

OVERDRAFT LOC TRANSFERS

If your checking account does not have sufficient funds to cover a check or ACH transaction, we will first attempt to pay the overdraft at no charge through Overdraft Savings Transfers from your primary share account (your membership savings account), provided it has sufficient funds available, before using OPP. If we are unable to cover your overdraft through Overdraft Savings Transfers, we will then try to cover the overdraft using an approved LOC.

TRANSACTION PROCESSING AND OPP

If we do not cover your overdraft through Overdraft Savings Transfers and you do not have a LOC, we may cover your overdraft through OPP. Everyday debit card transactions (such as one-time debit card and ATM card purchases) may not be covered unless you have affirmatively opted-in to Courtesy Pay Plus (CPP). To determine whether a transaction may cause an overdraft, it is important to understand that your checking account has two kinds of balances: the Available Balance and the Current Balance.

- a. Available Balance indicates the amount of funds available for withdrawal or use at that moment. The Available Balance includes pending transactions that have been authorized but may not yet have been processed (posted) such as debit card POS transactions, online transfers, ATM transactions, or pending deposits. It does not include items such as scheduled Bill Pay transactions, deposits with holds on them, and checks that you have written but that have not yet cleared your account.
- b. Current Balance is calculated after all transactions have posted to your account. We first process (post) all money coming into your account (credits, deposits, etc.)¹. After those are processed, we process (post) all money coming out of your account (debits, withdrawals, etc.). When more than one transaction from a group is processed on the same day, the items will be processed in the order of lowest to highest amount within that group of transactions.

Assessment of overdraft fees is determined based on the available balance in the checking account at the time of settlement, not at the time of authorization. Debit card authorizations are approved based on the available balance plus overdraft privilege threshold and does not include fees. If an item is presented without sufficient funds available in the account, we may at our discretion, pay the item (creating an overdraft) or return the item as non-sufficient funds (NSF). We may, at our discretion, not clear and return an item due to non-sufficient funds (NSF). The payee, or payee's financial institution, may resubmit the returned item for repayment at any time. Each time the item is submitted and returned due to non-sufficient funds, a fee will be assessed.

¹*Subject to holds placed on certain transactions, see the Funds Availability section in the Consumer Member Account Agreement*

When you use your Member One Debit Card to make a purchase, the transaction is authorized based on your Available Balance plus any Overdraft Privilege Program or Line of Credit (OPP or LOC) you have enrolled in at the time of the purchase. Once a transaction is authorized, a temporary hold is placed on your account for the amount of the purchase; you will see this hold reflected in your Available Balance. This hold does not affect or otherwise adjust your Current Balance. This hold will be removed when the transaction posts to your account or after five (5) business days, whichever comes first. Although the hold may be removed after five (5) business days, the merchant has up to 180 calendar days to present the transaction for posting. In some cases, the hold may exceed or be less than the amount of the transaction; for example, for some purchases made at gas stations, restaurants, hotels, or for car rentals. Funds subject to a hold are not necessarily the same funds that are ultimately used to pay for a transaction. When the hold is removed, the funds will be added to the Available Balance in your account. If your account is overdrawn after the held funds are returned to the Available Balance and the transaction posts, a Courtesy Pay or NSF fee may be assessed.

Please note, transactions may not be processed in the order in which they occurred, and the order in which transactions are received and processed may impact the total amount of fees incurred. Even though a transaction has been authorized, it still might result in an overdraft if you initiate other transactions that are processed before the authorized transaction. So, do not consider a transaction authorization as a guarantee there will be sufficient funds in your account to cover the

transaction when it posts.

Ordinarily, we will not authorize debit card transactions unless you have sufficient available funds in your checking account and available OPP amounts, if you are enrolled in CPP. However, we may pay some debit card transactions when you do not have sufficient available funds even if you did not opt into CPP for debit card transactions, if we had authorized the transaction in advance, or had placed a hold that differs from a transaction amount, as described in the previous paragraph. Therefore, opting into CPP for debit card transactions may result in the assessment of CPP fees for some transactions that we would otherwise pay without assessing a fee.

If your checking account becomes overdrawn (including Courtesy Pay fees) and funds are available in the linked savings account, we will transfer all or some of the funds from the savings account to the overdrawn checking account to reduce or eliminate the overdrawn amount, as permitted by law.

Examples:

1. If your available balance is \$20.00 and a transaction posts to your account for \$24.00, only \$4.00 of Courtesy Pay is used and no fee will be assessed.
2. If your available balance is \$20.00 and a transaction posts to your account for \$27.50, only \$7.50 of Courtesy Pay is used and a \$5.00 fee will be assessed.
3. If your available balance is \$20.00 and a transaction posts to your account for \$50.00, \$30.00 of Courtesy Pay is used and a \$35.00 fee will be assessed.
4. If your available balance is \$20.00 and a transaction for \$22.00 posts first and a \$13.00 transaction posts second, a total fee amount of \$35.00 will be assessed. The \$22.00 transaction uses \$2.00 of Courtesy Pay, not assessing a fee, and the \$13.00 transaction uses \$13.00 of Courtesy Pay, assessing a \$35.00 fee.

TIPS TO CONTROL COSTS FOR THE OPP

1. Good account management is the best way to avoid overdrafts.
2. Balance your checking account.
3. Using monitoring services in online banking services at <http://www.memberonefcu.com> using our apps on your mobile device and text alerts can help you keep track of your balance.
4. Designate lower cost overdraft sources, such as savings or an approved line of credit.

MEMBER OPT-OUT RIGHT

We offer the OPP of Courtesy Pay and Courtesy Pay Plus as a service and convenience to members for incidental overdrafts. We do not encourage you to repeatedly overdraw your account. We encourage you to manage your finances responsibly. You may opt out of these services at any time by notifying us by using any method provided under Canceling Your Enrollment in OPP. You understand that by opting out of this service, we may refuse to pay any check or item that is presented against an insufficient balance on your checking account, and you will be responsible for any Courtesy Pay/NSF fees. You are still responsible to pay any overdraft, even if you have opted out of the service.

RESTRICTION OF OPP PRIVILEGES

OPP is not a loan or a line of credit and must be repaid promptly. If the account remains overdrawn beyond 30 days of the initial transaction posting, OPP privileges will be revoked temporarily.

For example, if you overdraw \$100.00 on the first of the month and \$200.00 on the 20th, then a total of \$300.00 is due on or before the 30th. The account must have a positive balance for a minimum of one business day to allow the deposited funds to clear and reset the 30-day repayment cycle. If day 30 of the repayment cycle falls on a weekend or holiday, the account must have a positive balance as of the previous business day to be eligible for OPP reinstatement. All accounts that remain in a negative status will be charged off by the 45th day or sooner if deemed to be non-collectible. Such action could result in the checking account being closed and restriction of your membership privileges.

These are not the only circumstances under which OPP may be terminated, and Member One FCU reserves the right to revoke OPP privileges, permanently or temporarily, at any time and to deny the payment of any transactions without prior notification.

CANCELING YOUR ENROLLMENT IN OPP

You have the right to revoke your consent by opting out of OPP at any Member One FCU branch location, by phone, toll-free at 1-800-666-8811, by email at membercontactcenter@memberonefcu.com, or by mailing the request to: P.O. Box 12288, Roanoke, VA 24024-2288.