

Overdraft Protection Disclosure

You agree to the terms and conditions of these Overdraft Protection Disclosures which are part of your Membership and Account Agreement.

An overdraft balance could occur in several ways, such as:

- Payment of checks, ATM/debit card transactions, ACH/electronic funds transfers or other withdrawal requests
- The return of unpaid items deposited by you
- The imposition of bank service charges
- The deposit of items which, according to our Funds Availability Policy are treated as not yet available or finally paid

Member Liability. If on any day, the available funds in your checking account are not sufficient to cover checks and other items posted to your account, those checks and items will be handled in accordance with our overdraft procedures or the overdraft protection plan you have with us. The Credit Union's determination of an insufficient account balance may be made at any time between presentation and the Credit Union's close of business with only one review of the account required. The Credit Union has no duty to notify you of an insufficient funds item prior to overdraft or return of an item.

Your account will then be subject to a charge for the item whether paid or returned as set forth in the Common Features Disclosure. Except as otherwise agreed in writing, the Credit Union, by covering one or any overdraft, does not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. If the Credit Union pays a draft that would otherwise overdraw your account, you agree to pay the overdraft amount immediately. We reserve the right to pursue collection of previously dishonored items at any time.

Overdraft Determination. Overdrafts will be determined based on the available balance in your account at the time of presentment. Your available balance may be lower than your actual balance due to funds held for debit card transactions you have authorized and deposited checks held pursuant to our funds availability policy.

You can view your available balance through Online Banking and at ATMs to avoid an overdraft. Transactions may not be presented in the order which they occurred. The order in which checks or items are received and processed may affect if an overdraft occurs. The Credit Union processes checks and items as follows: (i) checks are paid in the order they are presented, (ii) for ACH items, credits are processed first and ACH debits processed second with the lowest items paid first, and (iii) debit card transactions are paid in the order they are presented.

Overdraft Protection Overview. Overdraft protection is a special feature for those times when an accident has caused your checking account to be overdrawn. Unlike a loan, this protection is not tied to your credit score. The

fees for overdrafts are set forth on the Credit Union's Common Features. The Credit Union offers two types of protection for overdrafts:

Transfer Protection Plans

- Transfers from Savings Account
- Transfers from Revolving Line of Credit

Overdraft Options

- Courtesy Pay - Checks
- Courtesy Pay - Debit

See "Transfer Protection Plans" and "Overdraft Options" sections for complete program details.

Member Consent

Member Opt-In. At account opening every member will elect which methods of overdraft protection they wish to participate in. The Credit Union will provide a confirmation notice to you in writing which will include a statement informing you of your right to revoke your consent and the methods to do so.

Member Opt-out. Every checking account owner has the right to not participate or opt-out of any or all of these options. They are clearly optional and may not be right for everyone. You are not required to use these features and you may opt-out at any time through any of the following ways:

- Request to opt-out at the time you open your account
- Call the Credit Union with your request at (509) 943-5676 or (800) 284-4276
- Submit your request online or through online banking at www.hapo.org
- Submit a written request to:
HAPO Community Credit Union
601 Williams Blvd.
Richland, WA 99354

Transfer Protection Plans

Eligibility. Every member is eligible for Transfer Protection on their checking account. Transfer Protection from Savings account is eligible for use upon election. Transfer Protection from a Revolving Line of Credit must be applied for and be approved through the Credit Union's loan underwriting process.

Transfer Limitations.

- Money Market accounts are not eligible as overdraft suffixes
- All transfers must be within the same account number, we do not cross reference related accounts
- You are limited to six (6) unsigned transfers from each savings account
- You are limited to the available balance of your Timeline loan; loan limits are established prior to overdraft

Transfer Fees. You will be charged a fee if we transfer from your savings account to cover an overdraft as outlined in the Credit Union's Common Features. You will not be charged a transfer fee if funds can be transferred from your established Revolving Line of Credit loan associated with your checking account. Interest will accrue daily based upon the new loan balance.

Overdraft Options. The Credit Union offers two options for overdraft protection:

- Courtesy Pay – Checks - protection for Automatic withdrawals (ACH), reoccurring debit card transactions & Check transactions
- Courtesy Pay – Debit - protection for ATM & Debit card transactions and everyday one-time debit card transactions

If you opt-in to *Courtesy Pay – Checks*, you can elect to additionally opt-in to *Courtesy Pay – Debit*, providing you meet the eligibility requirements.

If you elect to opt-out of *Courtesy Pay – Checks*, you will not have the option to opt-in to *Courtesy Pay – Debit*. See Member Consent section for how to opt-out.

The following information applies to both options.

Eligibility Requirements. Courtesy Pay is available on checking accounts opened for 90 days. Primary members with an associated checking account that meet this criteria will not be subject to a waiting period.

All members must meet the eligibility requirements listed below:

- Account ownership is not a fiduciary relationship (Representative Payee, etc.)
- Account is not involved in legal action such as bankruptcy, levies or garnishments
- Existing loans and VISAs are not delinquent, as defined by the Credit Union
- No previous unpaid closure history with the Credit Union

- Primary account holder is 18 or older
- Regular deposits are made bringing your account to a positive balance at least once every 30 days
- Any account closures reported from other financial institutions must be paid in full for more than 5 years at account opening
- Derogatory information obtained from the consumer reporting agency used by the Credit Union at account opening

Overdraft Limit. The Credit Union will establish a set amount in excess of the member's account balance in which overdrafts may be paid. For each eligible account, this amount is \$500. This means the Credit Union may approve transactions up to \$500 (for overdraft items and applicable fees) beyond the account balance; however, due to the timing of pending and settling transactions, there may be times when an account goes negative beyond this amount.

The approved overdraft limit will not be included in any "available" amount in the account balance. ATM withdrawals and over the counter transactions are ineligible. The Credit Union reserves the right to make changes to this program and will notify you of the changes as required.

Exceeding Your Overdraft Limit. There is no additional cost to participate in Courtesy Pay. The only cost incurred will be overdraft fees for each item paid. Any item that causes a negative balance in excess of your established overdraft limit will result in all items being returned or declined to the payee. A return or non-sufficient funds (NSF) fee for each item returned will be charged to your account as outlined in the Credit Union's Common Features. There is **no limit** on the total fees we can charge you for overdrawing your account. No fees will be charged for declined items.

Daily Overdraft Limit. The Credit Union has established a daily limit to the amount of overdrafts that will be covered in the event that you do not have the available funds in your account at the time the transaction posts. The Credit Union will cover up to five overdrafts to your account in any one day. Once you have met the daily limit, Courtesy Pay will be suspended. Checks and ACH transactions will be returned and you will be charged a return item fee. Debit transactions will be declined and no fee will be charged.

Credit Union Discretion. If you continue to meet the eligibility requirements and there are no legal orders outstanding, we may approve your reasonable overdrafts as a discretionary courtesy. The Credit Union will limit your transactions at our facility at anytime when your account is past due or overdrawn. We are not obligated to pay any item presented for payment if your account does not contain sufficient funds, even though we may have previously

paid overdrafts for you. We will not approve an overdraft in excess of the overdraft limit.

Overdraft Notification. The Credit Union will not send you a notice when an overdraft occurs. All overdrafts, transfers to cover an overdraft, and fees associated with overdrafts will show on your monthly statement. Additionally, the statement will include an aggregate of overdraft fees for the statement period and year to date.

Payment Requirements. You must bring your account to a positive balance within thirty (30) days of the first overdraft. We will not send you a notice regarding each overdraft; however, we will send a letter when your account has been negative for ten (10) and twenty (20) days. These notices will specify the required date of payment. If you are unable to bring your account to a positive balance within thirty (30) days from the first date that your account became negative, Courtesy Pay participation and overdraft ability will be revoked. You will receive written notice of the cancellation. If your account is not brought to a positive balance within forty five (45) days, we will have no option but to close your account and take steps to recover the funds. On accounts with more than one owner, each owner shall be jointly and severally liable for drawing or presenting the item creating the overdraft and associated fees.

Suspension or Cancellation of Courtesy Pay. Your overdraft limit could be suspended or cancelled for the following reasons:

- Failing to bring your account to a positive balance within 30 days
- Account is involved in legal action such as bankruptcy, levies or garnishments
- Delinquency of a loan or VISA account
- Derogatory activity on any related account
- Illegal activity such as check kiting or fraudulent deposits
- Notification of derogatory activity at another financial institution
- Account ownership is a fiduciary relationship (Representative Payee, etc.)
- At the discretion of the Credit Union