

## OVERDRAFT PRIVILEGE DISCLOSURE

As a service to account holders and to help avoid the significant fees that may be charged by third parties for unpaid items, Community First Credit Union offers its members Overdraft Privilege coverage. It is the obligation of Community First Credit Union to operate in accordance with all safety and soundness standards. Therefore, a continual evaluation of all accounts is performed to determine if it is financially sound to honor items that may cause an overdraft situation for a particular account. Some of the account criteria evaluated are: age of account, deposit amounts, deposit regularity, previous overdraft activity, account status relating to any legal or administrative order or levy status of loan and other obligations with the institution.

When an account has insufficient funds, a fee may be charged in accordance with our Consumer (Personal) Fee Schedule for every presentment of a check, debit card transaction, ATM withdrawal or ACH, whether the item is paid or returned unpaid. Community First Credit Union is not obligated to cover any presentment of an item if the account does not contain sufficient actual and/or available funds. Furthermore, service charges assessed against the account do not obligate Community First Credit Union to pay the charge(s), nor does it obligate Community First Credit Union to provide prior written notice of the decision to refuse payment.

You are responsible for the amount of any charges resulting in an overdraft(s) and applicable fees immediately should a check be submitted or a transaction be made for funds exceeding what is available in the account. It is your obligation to keep your account in good standing with Community First Credit Union and to bring your account to a positive balance immediately should an overdraft occur, without notice or demand from Community First Credit Union.

**Overdraft Privilege Opt Out** - If you prefer that Community First Credit Union not honor any items when there are not sufficient funds in your account, you may opt out of this discretionary service by contacting Community First Credit Union and expressing this preference. You are fully aware that without this discretionary service or some other form of overdraft protection, such as an account transfer or line of credit (which is offered to qualified accounts), any items presented that overdraw your account may be returned unpaid with the applicable fee charged to your account for each item. If you opt out of Overdraft Privilege, you will still be charged our returned item fee. Members who receive a Social Security, federal direct deposit, or any other entitlement benefit must opt out if they do not want the Credit Union to apply those funds to pay an overdraft. The Consumer (Personal) Membership and Account Agreement prescribes your duties, obligations and rights, as well as the authorized signatories and Community First Credit Union with regard to the account. The terms of the Consumer (Personal) Membership and Account Agreement supersedes the Overdraft Privilege Disclosure in any potential conflict.

**Transactions Eligible for Overdraft Privilege**- Overdraft Privilege will be available for checks, ACH Transactions, preauthorized automatic transfers, internet banking and telephone banking. Overdraft Privilege will NOT be available for ATM and everyday debit card transactions unless you authorize the Credit Union by completing an ATM/Debit Card Consent Form.

**Payment of Overdrafts**- If, on any day, the actual balance or available balance in your share or deposit account are not sufficient to pay the full amount of a check, draft, transaction, or other item, plus any applicable fee, that is posted to your account, we may return the item or pay it, as described below. The Credit Union's determination of an insufficient available account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. We do not have to notify you if your account does not have a sufficient available balance in order to pay an item. Your account may be subject to a charge for each item regardless of whether we pay or return the item. If we offer standard overdraft services, this service allows us to authorize payment for the following types of transactions regardless of whether your share or deposit account has sufficient funds: (1) share drafts/checks and other

transactions made using your checking account, except as otherwise described below; (2) automatic bill payments; (3) ACH transactions. For ATM and one-time debit card transactions, you must affirmatively consent to such coverage. Without your consent, the Credit Union may not authorize and pay an ATM or one-time debit card transaction that will result in insufficient funds in your account. If you have established a service linking your share or deposit account with other individual or joint accounts, you authorize us to transfer funds from other another account of yours to cover an insufficient item, including transfers from a share or deposit account, an overdraft line-of-credit account, or other account you so designate. Services and fees for these transactions are shown in the document the Credit Union uses to capture your affirmative consent and the Consumer (Personal) Fee Schedule. Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay such items that result in an insufficiency of funds in your account, we do not agree to pay them in the future and may discontinue coverage at any time without notice. If we pay these items or impose a fee that results in insufficient funds in your account, you agree to pay the insufficient amount, including the fee assessed by us, in accordance with our standard overdraft services or any other service you may have authorized with us, or if you do not have such protections with us, in accordance with any overdraft payment policy we have, as applicable.

**Order of Payments**- Checks, drafts, transactions, and other items may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, draft, or item, and execute other transactions on your account in any order we choose. The order in which we process checks, drafts, or items, and execute other transactions on your account may affect the total amount of overdraft fees that may be charged to your account. Please contact us if you have questions about how we pay checks or drafts and process transfers and withdrawals.

**Effect of Holds on Your Available Balance and Overdrafts**- Holds placed on your account, including, but not limited to, for pending electronic transactions, such as hotel or rental car deposits, holds placed on any deposits to your account, holds placed on any account for delinquent loans or lines of credit, any pledges of your account and any minimum account balance requirements may reduce your available balance and may cause your account to become overdrawn regardless of your actual balance. The Credit Union can decide whether an overdraft occurs based on your available balance or your actual balance as determined by the Credit Union in its sole discretion from time to time. However, you should assume that any item which would overdraft your account based on your then-current available balance may create an overdraft. There may be a preauthorization hold on a transaction while there are actual or available funds in your account, but by the time that transaction posts to your account, you no longer have sufficient actual or available funds to cover the transaction. The Credit Union may charge an Overdraft Privilege Fee or Insufficient Funds Fee when you do not have sufficient actual or available funds either during the preauthorization hold or when the transaction posts to your account, but you will not be charged two fees if you have insufficient funds during both time periods. The Credit Union's use of the actual balance or available balance as described above will affect the Credit Union's determination of an overdraft or potential overdraft for any purpose, including, but not limited to, rejection of attempted items for insufficient funds, transfer pursuant to any overdraft protection plan and coverage under the overdraft program and any fees or charges related to such overdrafts and transfers.

**Representation of Declined Transactions**- We reserve the right to charge an Insufficient Funds Fee each time a transaction is presented if your account does not have sufficient funds to cover the transaction at the time of presentment and we decline the transaction for that reason. This means that a transaction may incur more than one Insufficient Funds Fee if it is presented more than once. For example, if an ACH or other item is presented for payment and declined due to



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insufficient funds, and then represented for payment and declined again due to insufficient funds, we reserve the right to charge an Insufficient Funds Fees for both the original presentment and the representation in accordance with our Consumer (Personal) Fee Schedule and other applicable law.

**Financial Education** – The Credit Union believes that financial literacy and education helps members make informed decisions. There are several free resources available to you to help bring a heightened awareness of personal financial responsibility. These free resources are available by the federal government and provide federal financial literacy and education programs as well as federal financial information materials. Please visit [www.mymoney.gov](http://www.mymoney.gov) or call **1.888.MYMONEY** for more information. The Credit Union also offers financial education through our Move Up Financial Wellness Program. Please visit [www.CommunityFirstFL.org](http://www.CommunityFirstFL.org) or call us at 904.354.8537 or 800.342.8416 for more information.

**Account Agreement** – Your Consumer (Personal) Membership and Account Agreement describes the duties, obligations, and rights of depositors, authorized signatories and the Credit Union with regard to your deposit accounts. That Account Agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure.

**Waiver** – The Credit Union's forbearance from, or delay in, exercising any of the Credit Union's rights, remedies, privileges, or right to insist on your strict performance of any provisions of your Consumer (Personal) Membership and Account Agreement, this Overdraft Privilege Disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Credit Union's rights, remedies or privileges.

