

High Point Federal Credit Union Discretionary Overdraft Program Disclosure

It is the policy of High Point Federal Credit Union to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Membership and Account Agreement and Disclosure provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the Authorized Signatories and High Point Federal Credit Union with regard to your checking account. The Membership and Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Overdraft Program Disclosure and Membership and Account Agreement and Disclosure. A copy of the Membership and Account Agreement and Disclosure is available to you on request from High Point Federal Credit Union.

The Overdraft Program is not a line of credit. However, if you inadvertently overdraw your account, we will have the discretion to pay the overdraft, subject to the limit of your Overdraft Program and the amount of the overdraft fee. High Point Federal 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 High Point Federal Credit Union of an overdraft check (or item, such as an ATM withdrawal) does not obligate High Point Federal Credit Union to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

If, on any day, the 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. The Credit Union's determination of an insufficient available account balance may be made at any time. We do not have to notify you if your account does not have sufficient available balance in order to pay an item. Your account may be subject to a fee for each item regardless of whether we pay or return the item. We may charge a fee each time an item is submitted or resubmitted for payment, therefore, you may be assessed more than one fee as a result of a returned item and the resubmission of the returned item. There is no limit on the total fees we can charge you for overdrawing your account.

- A) Pursuant to High Point Federal Credit Union's commitment to always provide you with the best level of service, now and in the future, for a consumer or business account that have been open for at least thirty (30) days, your overdraft limit will be \$100.00, after ninety (90) days your overdraft limit will be \$250.00, unless you have a minimum aggregate deposit of \$250.00 within last 30 days in any share on the account in which case your limit will be \$500.00. Deposit includes anything but dividends. and thereafter you maintain your account in good standing, which includes at least: Bringing your account to a positive balance within every thirty (30) day period for a minimum period of 24 hours. Failure to do so will result in suspension of your Overdraft Privilege. Continued failure to bring the account positive for a minimum period of 24 consecutive hours will result in full revocation of one's ODP.
- B) Not being in default on any loan or other obligation to High Point Federal Credit Union. All accounts with loans 60 or more days delinquent will have their ODP suspended, and accounts 90 or more days delinquent will have their ODP revoked entirely.
- C) Not being subject to any legal or administrative order or levy. Subjection to any legal or administrative order or levy may result in suspension or revocation of a member's ODP.

High Point Federal Credit Union will have the discretion to pay overdrafts within the Overdraft Program limits, but payment by High Point Federal Credit Union is a discretionary courtesy and not a right of the member or an obligation of High Point Federal Credit Union. This Program for consumer and business checking accounts will generally be limited to a maximum of \$500 overdraft (negative) balance. Of course, any and all fees and charges, including without limitation the non-sufficient funds fees (as set forth in our fee schedules and Membership and Account Agreement and disclosure), will be included as part of this maximum amount. It may be possible that your account will become overdrawn in excess of the Overdraft Program amount as a result of the assessment of a fee.

The total of the discretionary Overdraft Program (negative) balance, which includes any and all fees and charges, including all non-sufficient funds/overdraft fees is due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Membership and Account Agreement and Disclosure.

Our standard Overdraft fee of \$27 will be imposed for overdrafts created by checks, ACH, ATM withdrawals, everyday debit card transactions, in-person withdrawals, or by other electronic means. 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.

There are several types of debit transactions. Some common debit transactions are listed below. Keep in mind that there are many ways transactions are presented for payment by merchants and we are not necessarily in control of when transactions are received.

- Checks: When you write a check, it is processed through the Federal Reserve System. We received data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files. We process the payments from low to high dollar value.
- ACH Payments: We receive data files every day from the Federal Reserve with the Automated Clearing House (ACH) transactions. These transactions include, for example, automatic bill payments you have authorized. ACH transactions for your account are posted throughout the day in order of receipt.
- ATM/Debit Cards:
 - Pin Based Debit Card Purchase Transactions: These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of the sale. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN based transaction may not be immediately presented for payment.
 - Signature Based Debit Card Purchase Transaction: These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed. This "authorization hold" will reduce the "available" funds in your account by the amount authorized but will not affect your actual balance. The transaction is subsequently processed by the merchant and submitted to us for payment. Depending on the merchant and its payment processor this can happen hours or sometimes days after the transaction. These payment requests are received in real time throughout the day and are posted to your account as received.

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, when you present your card at a restaurant, a hold will be placed in an amount equal to the bill presented to you, but when the transaction posts it will include any tip you included. The same goes for when you present your card at gas stations, hotels and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

This is a general description of certain types of transactions. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law.

Your checking account has two kinds of balances: The actual balance and the available balance.

- **Actual balance:** Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written that are outstanding or transactions that have been authorized but are still pending.
- **Available balance:** Your available balance is the amount of money in your account that is available for you to use. Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirement or to comply with court orders. We use your available balance to determine whether there are sufficient funds in your account to pay items, including checks, ACH transactions, debit card and other electronic transactions. Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn regardless of your actual balance. In such cases, subsequent posting of the pending transactions may further overdraw your account and be subject to additional fees. You should assume that any item which would overdraw your account based on your available balance may create an overdraft.

While High Point Federal Credit Union will have the discretion to pay overdrafts on accounts in good standing (as described above), any such payment is a discretionary courtesy, and not a right of the member or an obligation of High Point Federal Credit Union and High Point Federal Credit Union in its sole and absolute discretion can cease paying overdrafts at any time without prior notice of reason or cause. 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 authorized with us, or other account you designate.

For our consumer members High Point Federal Credit Union will not pay overdrafts for ATM or everyday debit card transactions unless High Point Federal Credit Union has provided you with the notice required by section 205.17(b) of Regulation E and you have opted into the payment of these overdrafts. In order to avoid overdrafts due to ATM and everyday debit card transactions, High Point Federal Credit Union will place a hold on your account for any ATM or everyday debit card transaction authorized until the transaction settles. ATM and everyday debit card transactions usually settle within two business days after the transaction is authorized. The amount of the hold will be for the amount authorized, or as permitted under applicable payment network rules.

Holds on authorized ATM and everyday debit card transactions will be removed prior to settlement where required by applicable payment network rules.

In addition, for both consumer and business accounts, you may opt out of the Overdraft Program services

for check, ACH and debit card bill payment transactions at any time by contacting one of our Member Service Representatives.

Note: Not available to organization, estate, representative payee, dedicated, trust, UTMA, guardian or non-profit accounts.

You must be 18 years of age or older to opt into this program.