

**NC Community FCU**  
**Discretionary Overdraft Privilege Policy**

It is the policy of NC Community FCU to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Deposit 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 NC Community FCU with regard to your checking account. The Deposit Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Overdraft Privilege Policy and the Deposit Account Agreement and Disclosure. A copy of the Deposit Account Agreement and Disclosure is available to you on request from your North Carolina Community FCU officer.

Overdraft privilege 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 privilege and the amount of the overdraft fee. NC Community FCU is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by North Carolina Community FCU of an overdraft check (or items, such as ATM withdrawals) does not obligate North Carolina Community FCU to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

Pursuant to NC Community FCU's commitment to always provide you with the best level of service, now and in the future, if your consumer account (primarily used for personal and household purposes) has been open for at least thirty (30) days, or if your commercial account has been open for at least sixty (60) days, and thereafter you maintain your account in good standing, which includes at least:

- A) Bringing your account to a positive balance within every thirty (30) day period for a minimum period of 24 hours;
- B) Not being in default on any loan or other obligation to North Carolina Community FCU and
- C) Not being subject to any legal or administrative order or levy,

NC Community FCU will have the discretion to pay overdrafts within the overdraft privilege limits, but payment by North Carolina Community FCU is a discretionary courtesy and not a right of the accountholder or an obligation of NC Community FCU. This privilege for consumer checking or savings accounts will generally be limited to a maximum of **\$500.00** overdraft (negative) balance. This privilege for commercial accounts will generally be limited to a maximum of **\$500.00** 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 deposit 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 privilege amount as a result of the assessment of a fee.

The total of the discretionary Overdraft Privilege (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 Deposit Account Agreement and Disclosure. Our standard Overdraft fee of \$35 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.

While NC Community FCU 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 accountholder or an obligation of NC Community FCU and NC Community FCU in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

For our consumer accountholders NC Community FCU will not pay overdrafts for ATM or everyday debit card transactions after August 15, 2010 unless NC Community FCU has provided you with the notice required by section 205.17(b) of Regulation E and you have opted in to the payment of these overdrafts. In order to avoid overdrafts due to ATM and everyday debit card transactions, NC Community FCU 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 commercial accounts, you may opt out of the Overdraft Privilege services for check, ACH and debit card bill payment transactions at any time by contacting one of our Account Services Representatives.

## WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account.
2. We also offer overdraft protection plans, 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 plans.

This notice explains our standard overdraft practices.

### ➤ **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

We will not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- ATM transactions
- Everyday 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 NC Community FCU pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of up to \$35 each time we pay an overdraft

### ➤ **What if I want North Carolina Community FCU to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

With opt-in overdraft privilege, we can help you avoid the embarrassment and inconvenience of a returned item as well as the fee normally charged to you by merchants for items that are returned to them. Fees for covering these overdrafts as well as the amount of the overdraft item will be subtracted from your overdraft privilege as these items are paid. Each item that clears your account that results in overdraft of your account will incur a \$35 fee.

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call 919-734-8224 ext 2249, visit our website at <http://www.nccfcu.org/odp>, e-mail it to [odp@nccfcu.org](mailto:odp@nccfcu.org) or complete the form provided to you at our branch and give it to one of our Member Service representatives.

When you opt-in for this type of protection, NC Community FCU will review your account and determine whether or not this privilege can be granted. New accounts must be active and in good standing for a minimum of 30 days before you can opt-in to have ATM and debit card transactions covered by overdraft protection.

You will be notified in writing when overdraft privilege is granted for your account or if for some reason this privilege cannot be granted for your account with NC Community FCU. Please note that NC Community FCU reserves the right to rescind your overdraft privilege for debit card and ATM transactions at any time if you do not adhere to the guidelines detailed in the Discretionary Overdraft Privilege Policy on the opposite side of this page.