

Pasadena Service FCU – Overdraft Privilege Program

Overdraft Privilege Program is a *discretionary* service we provide to our checking account holders who maintain their accounts in good standing. In an effort to provide excellent member service, Pasadena Service FCU (credit union) will strive to pay items presented on your account against insufficient funds. Items are paid with the expectation that an immediate deposit will be made to bring the account to a positive balance. One-time payment of items into overdraft does not guarantee that items presented in the future will be paid.

- **You are NOT required to have this service on your account** - You may opt-out of overdraft services at any time by contacting us via phone at 626-351-9651, via our website at www.mypsfcu.org or by visiting one of our branches. Opting out of overdraft services means that we may return items presented against insufficient funds and may assess applicable non-sufficient funds (NSF) item fees per our current Fee Schedule. Members who receive 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.
- **We will not cover ATM withdrawals or debit card purchase, unless you ask us to** - Unless the Credit Union currently has your affirmative consent (opt-in) on file, we will not pay your overdrafts for ATM withdrawals and debit card purchases at a store, online, or by telephone. You must tell us you want overdraft coverage for these transactions. To request overdraft coverage for your ATM withdrawals and debit card purchases, please contact us via phone at 626-351-9651, via our website at www.mypsfcu.org or by visiting one of our branches. You will need to complete, sign, and return the ATM/Debit Card Consent Form, which is provided with this disclosure, or mail it to us at the address shown below at 670 N. Rosemead Blvd, Pasadena, CA 91107. The Credit Union will provide you with written confirmation of your opt-in choice.
- **The payment of overdrafts is not guaranteed** - We will strive to pay your overdraft items when presented against insufficient funds, however, whether your overdrafts will be paid is discretionary and not guaranteed. Payment of items into overdraft is based on the handling of your accounts and the expectation that you will continue to make deposits consistent with your past practices.
- **You may be charged an overdraft fee for each insufficient item paid into overdraft**- When an overdraft is covered, the account will be taken negative by the dollar amount of the overdraft plus the amount of the Overdraft Privilege fee. If we honor multiple overdrafts, we may honor them in any order at the Credit Union's option or return any such items. You **may** be charged an Overdraft Privilege fee for each item presented against insufficient funds per our Fee Schedule. When more than one overdraft item is presented and paid, multiple overdraft fees may be charged per our current Fee Schedule.
- **Payment of items into overdraft is done so with the understanding that you will be making an immediate deposit to return your account to a positive balance.** When the Credit Union honors overdraft items, you must either deposit funds or apply for a loan sufficient to cover such overdraft plus fees immediately, but in no case more than fifteen (15) days from the date of notice sent to you. If you fail to cover the total overdraft amount within fifteen (15) days, the Credit Union may pursue all collection options available to it. The Credit Union may, but is not obligated to, transfer funds from your other accounts with us to cover the overdraft. If your account balance remains consistently overdrawn or we believe that you are not managing your account in a responsible manner we may not be able to strive to

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pay items presented against insufficient funds. Items presented may be returned and applicable NSF item fees charged per our current Fee Schedule. If an item (including an ACH item) is presented and returned, it may be presented again for payment. You will be assessed a fee each time an item is presented and returned.

- **Checking accounts that remain consistently overdrawn may be closed and/or charged off. Closed and/or charged off accounts may be reported to national credit reporting agencies which may have a negative impact your ability to open future banking relationships.**

Overdraft Protection Options – Pasadena Service FCU offers other less expensive ways to manage your account with respect to overdrafts. Please contact us via phone at 626-351-9651, via our website www.mypsfcu.org or by visiting one of our branches if you would like to discuss other ways to manage your account relationship with us.

Product/Service	Description	Cost
<i>Transfer from another account</i>	If you have other accounts with us, you can authorize us in advance to transfer the funds needed to cover overdrafts	(\$4) per transfer
<i>Overdraft Line of Credit</i>	This product requires you to complete an application and approval and Annual Percentage Rate (APR) are based on your credit worthiness.	APR and set up fee
<i>Small Dollar Loan</i>	This product requires you to complete an application and approval and Annual Percentage Rate (APR) are based on your credit worthiness.	APR and set up fee

Eligibility Criteria – There is no application required for our Overdraft Privilege Program. Eligibility for the Overdraft Privilege Program is at our discretion based on account activity and ongoing account handling. Maintaining an account in good standing may include but is not limited to:

- Your account is an eligible account type.
- You are NOT more than 30 days past due on any credit union loan or delinquent on any other obligation to the credit union.
- You are NOT subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding.
- You DO NOT have an outstanding overdraft repayment plan balance.
- Your account is NOT being reviewed for fraudulent activity.
- The primary account owner is NOT less than 18 years old.
- A ChexSystems or other negative indicator that remains unresolved has NOT been reported to us.
- Your account is NOT classified as inactive.
- You DO NOT have an unresolved prior loss with the credit union.
- We have a valid address on file for you.

Transactions eligible for Overdraft Privilege Program coverage include:

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- Checks
- Internet banking
- ATM *
- ACH transactions
- Preauthorized automatic transfers
- *Everyday Debit Card**
- In-person withdrawals
- Telephone banking

***ATM/Everyday Debit Card Transactions** – For our consumer account holders, for us to strive to pay these transaction types, it is required that you provide us with your affirmative consent in writing (opt-in). If you have authorized us to strive to pay those transaction types, applicable overdraft fees may be assessed for items paid into overdraft. You may opt-in, or opt-out, of coverage on everyday debit card and ATM transactions at any time by contacting us via phone at 626-351-9651, via our website mwww.mypsfcu.org or by visiting one of our branches.

Order of Posting: The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. We will pay checks, automated debits (ACH), Debit Card transactions, ATM withdrawals and point-of-sale transactions in the order presented to the Credit Union. Multiple checks presented for payment on the same day will be paid in check number order. For ACH transactions, deposits are posted first then debits are posted by settlement date, then lowest to highest amount. For ATM Card and Debit Card transactions, items are posted in the order received. You understand that the order in which items are processed can affect the total amount of fees that may be assessed against your account. The Credit Union reserves the right to adjust the above processing times in its sole discretion.

Actual and Available Balances: It is also important that you understand the difference between your “actual balance” and your “available balance” in order to properly manage the money in your account and avoid overdraft and insufficient fund fees. Your “actual balance” is the beginning of the day balance after the prior evening’s posting. This balance is changed at the close of business every day and stands as is until the close of business on the following day. Your “available balance” is the amount you have in your account at a particular time that is available for immediate withdrawal. Your available balance is updated throughout the day to reflect holds, pending transactions and cleared deposits. The difference between your actual balance and your available balance is the result of pending activity that has not yet posted to the account (example, any “pending” deposits, checks, transfers and withdrawals or holds on your account). We will use the “available balance” in your account to determine if you have sufficient funds to cover your transactions. You can determine your available balance at the ATM, by phone or by accessing your account online or with mobile banking.

You understand that you may be overdrawn even when your actual balance is positive. You also understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you wish to make because your available balance will not reflect all your outstanding checks, automatic bill payments or recent deposits. In addition, your available balance will not reflect all of your debit card transactions. For example, if a merchant obtains your prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we are required to release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account. We do not determine and are not responsible for any hold amounts placed by merchants. We encourage you discuss such holds

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with merchants to determine how much the merchant may place on hold. You must also keep careful records and practice good account management to avoid making transactions without sufficient funds available for withdrawal. For additional details on the availability of your funds for withdrawal, see the section entitled “Funds Availability Policy.” If you have additional questions about your available or actual balance, please see a branch representative or call 626-351-9651.

Example 1: If you write a check for \$25 but it has not yet cleared your account, your available balance will be \$25 less than what is reflected by your actual balance.

Example 2: If you authorize a debit card transaction for \$30 but it has not yet posted to your account, your available balance will be \$30 less than what is reflected by your actual balance.

Example 3: The following transactions are not reflected in your available balance:

- Any checks you have written that have not yet been presented for payment.
- Any automatic bill payments you have scheduled that have not yet been sent.
- Any debit card transactions where the authorization hold has been released but the transaction has not yet been submitted to the Credit Union.

Financial Education – At Pasadena Service FCU we believe that financial literacy and education helps consumers make informed decisions. Awareness of personal financial responsibility allows consumers to realize the benefits of responsible money management, understand the credit process and the availability of help if problems occur.

Call us at 626-351-9651 to request free financial counseling, subject to availability. You can also visit <https://mypsfcu.org/vendor-partners/> for additional resources on financial literacy available to our members.

Account Management - Pasadena Service FCU provides the following for ongoing account management*:

- Mobile banking – including card management and notifications for balance and transactions
- Online banking – including “e statements and “e notifications”
- Telephone banking

*Please contact us via phone at 626-351-9651, via our website www.mypsfcu.org or by visiting one of our branches for more information on account management options.

Checking Account Agreement - Your Truth In Savings 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. Your account agreement and this disclosure shall be construed so as to minimize conflicts between them.

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 account agreement, this disclosure, or any other provision



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related to your account, shall not be construed to be a current or future waiver of the credit union's rights, remedies or privileges.

Remedy: You and the credit union agree that the exclusive remedy and forum for all disputes arising out of the Overdraft Privilege or your or credit union's performance there under, except for matters you or the credit union take to small claims court, is arbitration by an independent arbitrator, except as prohibited by law, as described in more detail in your Truth in Savings Agreement

Effective Date- All information listed in this disclosure is effective 9/1/2021