

# OVERDRAFT PRIVILEGE DISCRETIONARY OVERDRAFT PAYMENTS

**Discretionary overdraft payments.** We may pay overdrafts on your accounts at our discretion.

If you write a check or initiate another form of payment that will overdraw your account if paid, we will either (a) pay the overdraft, or (b) return the item or debit unpaid for Insufficient Funds Fee (Ret) (NSF) or Uncollected Funds Fee (UCF). In either case, you will be charged an NSF (Ret), NSF(Paid) or UCF also referred to as "overdraft fees" according to our Consumer or Business Fee Schedule ("Fee Schedule"). We will not charge fees for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not opted-in to that service. We pay overdrafts at our discretion, which means we do not guarantee that we will always pay or authorize any type of transaction. The fact that we may pay one or more items creating overdrafts does not obligate us to do so in the future. So, you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past.

**The benefit to you of Overdraft Privilege discretionary overdraft payments.** Discretionary overdraft payments may benefit you because it can protect your reputation, avoid default and avoid the additional fee that often is charged by the payee when an item is returned NSF. Your reputation can be protected because, for example, the payee will not know that there were insufficient funds to cover the item, and there won't be a return NSF to report to a consumer reporting agency.

**Responsible use of Overdraft Privilege discretionary overdraft payments.** We promote responsible use of discretionary overdraft payments. Overdraft fees can add up quickly, especially if multiple overdraft items clear the same day. Similarly, NSF fees can also add up quickly. Irresponsible use of overdraft services such as the intentional and routine writing of checks, initiating of electronic funds transfers or other transactions that will overdraw your account if paid may lead to the discretionary overdraft service being revoked at any time without prior notice. Discretionary overdraft payments should be used only for occasional and inadvertent overdrafts and should not be relied on in the same manner as, for example, a line of credit.

**Less costly alternatives.** If more than occasional and inadvertent use of discretionary overdraft payments is anticipated, we believe you should consider less costly alternatives such as linked accounts or obtaining a line of credit to avoid overdrawing your account. Under a linked account, your checking account would be connected to another account, such as a savings account, so as to automatically transfer funds from the other account to the checking account as needed to avoid overdrafts. Under an overdraft line of credit, you would automatically borrow funds on the line of credit and have them transferred to your checking account as needed to avoid overdrafts. We encourage you to inquire about the alternatives we offer. A line of credit or a linked account can often be cheaper than overdraft fees.

**Financial education.** Please let us know if you are interested in getting individualized counseling to learn how to more effectively manage your personal finances.

**Fees.** We charge a fee (refer to Consumer or Business Fee Schedule) each time we pay an overdraft. If multiple items overdraw your account on the same day, each item or transaction will be assessed an appropriate Insufficient Funds Fee or Insufficient Funds Fee (Paid). All fees and charges will be included as part of the Overdraft Privilege limit amount. Your account may become overdrawn in excess of the Overdraft Privilege limit amount as a result of a fee.

There is a limit of 5 overdraft fees per day we will charge.

**Categories of Transactions.** The categories of transactions for which an overdraft fee may be imposed are those by any of the following means (Standard Coverage): Checks, ACH- Automatic Debits, Recurring Debit Card Payments, Online Bill Pay Items, Teller Window Transactions. We will not pay ATM and everyday debit card transactions at our discretion unless you opt-in (Extended Coverage).

**Time for Repayment.** Payment of an overdraft is due immediately.

**Circumstances Under Which We Wouldn't Pay.** The circumstances under which we wouldn't pay an item or debit that would overdraw your account are entirely within our discretion, and we reserve the right not to pay. Refer to the Terms and Conditions of your account for more information as to circumstances that may affect whether we pay.

**A temporary debit authorization hold affects your account balance.** On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If another transaction is presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase. Although under payment system rules, Navigant Credit Union may be obligated to pay some unauthorized debit card transactions, Navigant Credit Union will not authorize debit card or ATM transactions unless there are available funds (including Overdraft Coverage Options) to cover the transactions and any fee(s).

**Payment Order of Items.** 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. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees.

We generally post items in the following order: 1) credits, 2) ACH Debits (low to high by dollar amount), 3) ATM and debit card transactions (in the order received), 4) checks (low to high by dollar amount). However, because of the many ways we allow you to access your account, the posting order, of individual items may differ from these general policies. Holds on funds and the order in which transactions are posted may impact the total amount of overdraft fees or NSF fees assessed.

**Dollar Limit.** If we set a dollar limit for the total amount that your account can be overdrawn at one time, overdraft fees (as well as the amounts of the overdraft items) will apply toward that limit, reducing the amount available under that limit. Even if we set a dollar limit, we are not required to pay overdrafts up to the limit. The payment of ANY overdraft is completely at our discretion. Consumer and business accounts will receive a \$100.00 Introductory Overdraft Privilege limit at account opening that will be increased to \$750.00 after 30 days in good standing for consumer accounts or to \$1,000.00 after 60 days in good standing for business accounts.

**What Else You Should Know.** Navigant Credit Union understands that unexpected overdrafts occur from time to time – Overdraft Coverage can help.

**Overdraft Coverage Options.** The choice is yours. Consider these ways to cover overdrafts:

Service	Cost
Overdraft Protection Link to Another Deposit Account you have at Navigant Credit Union <sup>1</sup>	Overdraft Transfer Fee: refer to Consumer or Business Fee Schedule

<b>Overdraft Protection Line of Credit<sup>1,2</sup></b>	<b>Subject to interest</b>
<b>Overdraft Privilege</b>	<b>Insufficient Funds Fee (Paid), Uncollected Funds Fee (UCF) per item: refer to Consumer or Business Fee Schedule</b>

<sup>1</sup>Contact us at (401) 233-4700 or come by a branch to sign up or apply for these services; <sup>2</sup>subject to credit approval.

**Overdraft Protection** services apply to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account, or line of credit you may have at Navigant Credit Union for an interest charge. Please note that overdraft lines of credit are subject to credit approval.

**Overdraft Privilege** allows you to overdraw your account up to the disclosed limit for a fee in order to pay a transaction. Even if you have overdraft protection, Overdraft Privilege is still available as secondary coverage if the other protection source is exhausted.

<b>Transactions Covered with Overdraft Privilege</b>	<b>Standard Coverage (No action required)</b>	<b>Extended Coverage (Your consent required)*</b>	<b>If you would like to select Extended Coverage for future transactions:</b>
<b>Checks</b>	<b>X</b>	<b>X</b>	<ul style="list-style-type: none"> <li>• call us at <b>(401) 233-4700</b></li> <li>• complete the online consent form found at <a href="http://www.navigantcu.org">www.navigantcu.org</a></li> <li>• visit any branch</li> <li>• complete the enclosed consent form and mail it to us at 1005 Douglas Pike, Smithfield, RI 02917</li> </ul>
<b>ACH - Automatic Debits</b>	<b>X</b>	<b>X</b>	
<b>Recurring Debit Card Payments</b>	<b>X</b>	<b>X</b>	
<b>Online Bill Pay Items</b>	<b>X</b>	<b>X</b>	
<b>Teller Window Transactions</b>	<b>X</b>	<b>X</b>	
<b>ATM Transactions</b>		<b>X*</b>	
<b>Everyday Debit Card Transactions</b>		<b>X*</b>	

\*If you choose Extended Coverage, **ATM withdrawals and everyday debit card transactions** will be included with the transactions listed under Standard Coverage.

You can discontinue the Overdraft Privilege in its entirety by contacting us at (401) 233-4700 or sending us an e-mail at [www.info@navigantcu.org](mailto:www.info@navigantcu.org).

- If an item is returned because the available balance in your account is insufficient to cover the item and the item is presented for payment again, Navigant Credit Union will charge a NSF Fee each time it returns the item because it exceeds the available balance in your account. If, on representation of the item, the available balance in your account is sufficient to cover the item Navigant Credit Union may pay the item. If payment causes an overdraft, Navigant Credit Union may charge a NSF Fee.
- Giving us your consent to pay everyday debit card and ATM overdrafts on your consumer account may result in you incurring Insufficient Funds Fees for transactions that we would otherwise be required to pay without assessing an Insufficient Funds Fee. However, this would allow us to authorize transactions up to the amount of your Overdraft Privilege limit and may also help you avoid overdrafts in excess of your available balance that could result in suspension of your debit card.
- Navigant Credit Union authorizes and pays transactions using the available balance of your account. Navigant Credit Union may place a hold on deposited funds in accordance with our Terms and Conditions disclosure, which will reduce the amount in your available balance. The available balance for checks, ACH items, and recurring debit card transactions is comprised of the ledger balance, less any holds on deposited funds and any debit card holds, plus the amount of the Overdraft Privilege limit and any available Overdraft Protection. The available balance for ATM and everyday debit card transactions on accounts with Standard Coverage is the ledger balance, less any holds on deposited funds and any debit card holds, plus any available Overdraft Protection, but does NOT include the Overdraft Privilege limit. For accounts with Extended Coverage, the Overdraft Privilege limit is included in the available balance for authorizing ATM and everyday debit card transactions.
- Please be aware that the Overdraft Privilege amount is not included in your available balance provided through online banking, mobile banking or Navigant Credit Union's ATMs.
- Except as described in this letter, Navigant Credit Union will not pay items if your account does not contain available funds (including the Overdraft Privilege limit) to cover the item(s) and the amount of any fee(s).
- Overdraft Privilege may be discontinued/revoked if:
  - you default on any loan or other obligation to us,
  - your account becomes subject to any legal, administrative order, garnishment, or levy,
  - you fail to maintain your account in good standing by not bringing your account to a positive balance within thirty (30) days for a minimum of one business day,
  - your primary / physical address on file is undeliverable,
  - you have been appointed to manage a Fiduciary account,
  - your account is being held as collateral for a share secured loan,
  - you currently have a Smart Start Loan, or
  - you are using the Overdraft Privilege services irresponsibly, and/or your account has been used fraudulently.

You must bring your account balance positive for at least one business day to have Overdraft Privilege reinstated. Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.

- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Terms and Conditions disclosure. The total (negative) balance, including all fees and charges, is due and payable upon demand.
- Recipients of federal or state benefits payments who do not wish us to deduct the amount overdrawn and the overdraft fee from funds that you deposit or that are deposited into your account may call us at 401-233-4700.

**NCUA Insurance.** This credit union is federally insured by the National Credit Union Administration.