

## Eastern New York Federal Credit Union Overdraft Privilege Disclosure

We believe it is important for you to use your checking account responsibly and to never intentionally overdraw your account. However, we realize that financial shortfalls happen from time to time and we have several options available for you. As a benefit to our members, we offer these useful services to cover you in the event that you overdraw your checking account.

### Overdraft Protection Options:

Transfer from another account – We will automatically link your share draft account to your share account for transfer purposes, unless you authorize us to break the link. We will transfer share funds to cover insufficient share draft items and charge \$15 per transfer. We will not reduce your share account below the required minimum.

Line of Credit – A line of credit is available to cover overdrafts. This service requires you to complete an application and approval is based on your credit worthiness. The amount of your limit and the associated interest rate varies per your credit worthiness.

Overdraft Privilege - Overdraft Privilege is a service we add to your checking account to cover overdrafts to a set limit, subject to the eligibility criteria as explained below. With Overdraft Privilege we will generally pay your overdraft items up to \$300 for each share draft account that qualifies, however, whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts. When we pay overdraft items for you, you will be charged our normal overdraft fee, currently \$25, for each item that is presented. Both the amount of the overdraft items and all applicable fees, including but not limited to the \$25 overdraft fees are included in this limit.

**Eligibility Criteria** - No application is required for the Overdraft Privilege; eligibility is based on you managing your checking account in a responsible manner. You will be eligible for the Overdraft Privilege unless:

- You are more than 30 days past due on any Credit Union loan or delinquent on any other obligation to the Credit Union.
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding.
- You have an outstanding balance on an Overdraft Repayment Plan.
- An extended hold is being placed on your checking account or any other account relationship, in which case your Overdraft Privilege will be suspended without prior notice.
- You are a minor.
- A ChexSystems or any other negative indicator is present.
- You have an account that has been opened less than 30 days, or if you were overdrawn for more than 5 consecutive days during the first 30 days that your account was open.
- Your account is a fiduciary trust or escrow account.
- Your account is classified as dormant.

**Suspension/Removal of Privilege** – You may be suspended or removed immediately from the Overdraft Privilege if:

- You do not bring your account to a positive balance within a 30 day period
- You fail to meet our eligibility criteria
- If you meet all the criteria listed above, we may still remove the privilege if we believe you are not managing your account in a responsible manner which may harm you or us.

**Transactions Covered by Overdraft Privilege** - Overdraft Privilege will be available for all checks written, in-person withdrawals, ACH debits, preauthorized automatic transfers, and telephone-initiated transfers.

**Payment Order of Items** - The order in which items are presented may affect the total fees incurred by a member. ATM withdrawals and debit card transactions post as they occur. We pay ACH debits, Bill Pay debits, preauthorized automatic transfers, and telephone-initiated transfers during the work day. Finally, we pay the remaining items based on the items check sequence number.

**Opt Out** - You may never need to take advantage of the Overdraft Privilege option but you may find it useful in the event of a temporary shortfall. If you do not want to have Overdraft Privilege, simply contact us and we will provide you with an opt out form to remove this benefit from your account.

**Additional Information** - Your 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. 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 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.

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 Credit Union take to small claims court, is arbitration by an independent arbitrator pursuant to the applicable rules of the American Arbitration Association, except as prohibited by law.

**Effective Date**- All information listed in this disclosure is effective as of 4/30/07.