

DISCRETIONARY OVERDRAFT PAYMENTS

Overdrafts and Overdraft Protection. You agree to maintain funds in your Accounts at all times sufficient to pay any withdrawal order (whether oral, written or otherwise) or any item presented for payment against the applicable Account. We are under no obligation to pay any order or item, the amount of which exceeds the balance of the Account upon which that item was drawn. In the event that we do pay any such item, we will not waive our right to dishonor any subsequent orders or items presented. If we do pay an item, the amount of which exceeds the balance in the applicable Account, or if any item deposited to your Account is subsequently returned and charged back to your Account creating an overdraft, you agree to pay us immediately the amount by which that Account is overdrawn together with any fees which we might assess. You also authorize us to deduct any overdraft from your next eligible deposit, to withhold eligible amounts from any other Accounts to which you are a party in amounts sufficient to cover any overdraft and overdraft fees, or to use any other collection remedy available to us at law. In the event that you write a check or take any other action which would result in an Account becoming overdrawn, and if you have requested and been approved for automatic overdraft protection, such check or action taken shall be deemed to be a request by you to us to transfer available funds from your Savings Account(s) or any other Accounts you may designate, or to make an advance under any Line of Credit you may have with us from which overdraft protection is available, in increments that we deem sufficient to pay such check or otherwise remedy the overdraft, together with any service charge we may impose. We will use our best efforts to transfer funds to your Checking Account from your Savings Account(s) or to make an advance under your Line of Credit, in the manner in which you have directed in the Application. A fee may be charged for overdraft protection as set forth in the Truth-in-Savings Fee Schedule. If sufficient funds are not available for an item, then any such item presented will be returned to the payee due to non-sufficient funds and a charge will be made to your Account in such amounts as we may establish from time to time. If sufficient funds are not available for an item and you have exhausted overdraft funds from these sources we may, at our sole discretion, pay an item allowable by regulation and based on options you may have under regulation. Paying of an item as described in the preceding statement will be considered a Courtesy Pay service. Courtesy Pay will only be used to cover checks, ACH items and recurring Card transactions on an automatic basis. For ATM or one-time Card transactions, you must choose to Opt-In for the service. If you have elected not to Opt-In for ATM and one-time Card transactions and there are not sufficient funds to cover the items they will be declined. You have the right to Opt-In or Opt-Out to cover these transactions at any time. Fees for paying items under Courtesy Pay are disclosed in the Truth-in-Savings Fee Schedule and they may change from time to time. You agree to be obligated for items paid under Courtesy Pay together with the disclosed fees. Each party to any of your Accounts will be jointly and severally liable for overdrafts caused by any other party or parties to such Account. In the event that the Credit Union reasonably believes that your use of your Account or Accounts is abusive due to excessive checks drawn on insufficient funds, excessive activity, or otherwise, your Account may be closed or services restricted at the sole discretion of the Credit Union.

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

If you write a check or initiate another form of payment (other than an ATM or everyday debit card transaction) that will overdraw your account if paid, we will either (a) pay the overdraft, or (b) return the item or debit unpaid for nonsufficient funds (NSF). If we pay the overdraft we will charge you a fee, typically called an overdraft fee. If we return the item NSF we will charge you a fee, typically called an NSF fee. We will pay overdrafts (or charge an overdraft fee) on ATM and everyday debit card transactions only if you opt-in to that overdraft 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 discretionary overdraft payments. Discretionary overdraft payments may benefit you because it can protect your reputation, avoid default, avoid our NSF fee, 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 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. Thus, we discourage the intentional and routine writing of checks or initiating of electronic funds transfers or other transactions that will overdraw your account if paid. 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.

Fees.

We charge a fee of \$29.00 each time we pay an overdraft.

Also, we charge a fee of \$6.00 for every five days your account is overdrawn.

Categories of Transactions. The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal, or other electronic means. We will not pay ATM and everyday debit card transactions at our discretion unless you opt-in to that overdraft service.

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. However, we are less likely to pay if the member's account is not in good standing, or the member is not depositing regularly, or the member has too many overdrafts. The fact that we may pay one or more items creating overdrafts does not obligate us to do so in the future.

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, which may be more than the actual amount of your purchase. 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 may be up to three days 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, that transaction will be a nonsufficient funds (NSF) transaction if we do not pay it or an overdraft transaction if we do pay it. 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.

Here is an example of how this can occur - assume for this example the following: (1) you have opted-in to our overdraft services for the payment of overdrafts on ATM and everyday debit card transactions, (2) we pay the overdraft, and (3) our overdraft fee is \$29 per overdraft.

You have \$120 in your account. You swipe your card at the card reader on a gasoline pump. Since it is unclear what the final bill will be, the gas station's processing system immediately requests a hold on your account in a specified amount, for example, \$80. Our

processing system authorizes a temporary hold on your account in the amount of \$80, and the gas station's processing system authorizes you to begin pumping gas. You fill your tank and the amount of gasoline you purchased is only \$50. Our processing system shows that you have \$40 in your account available for other transactions ($\$120 - \$80 = \$40$) even though you would have \$70 in your account available for other transactions if the amount of the temporary hold was equal to the amount of your purchase ($\$120 - \$50 = \$70$). Later, another transaction you have authorized is presented for payment from your account in the amount of \$60 (this could be a check you have written, another debit card transaction, an ACH debit or any other kind of payment request). This other transaction is presented before the amount of the temporary hold is adjusted to the amount of your purchase (remember, it may take up to three days for the adjustment to be made). Because the amount of this other transaction is greater than the amount our processing system shows is available in your account, our payment of this transaction will result in an overdraft transaction. Because the transaction overdraws your account by \$20, your account will be assessed the overdraft fee of \$29 according to our overdraft fee policy. You will be charged this \$29 fee according to our policy even though you would have had enough money in your account to cover the \$60 transaction if your account had only been debited the amount of your purchase rather than the amount of the temporary hold or if the temporary hold had already been adjusted to the actual amount of your purchase.

Processing of Transactions. The order in which we process payments may not be the order in which the transaction occurred. The order in which items are received and processed by us can affect the total amount of the overdraft fees that you are charged.

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

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