COMMONWEALTH
central credit union

Discretionary Overdraft Protection Policy

The Membership and Account Agreement ("Account Agreement") provided to you at the time you opened your account with us controls the duties, obligations and rights of the Primary Owner, the Joint-Legal Owner(s) and CommonWealth with regard to your checking (share draft) account. The Account Agreement, and all amendments thereto, shall control any possible conflict, if any, between any provision of this Overdraft Protection Policy and the Account Agreement. A copy of the Account Agreement was provided to you at the time you opened your account and is available to you upon request from a CommonWealth Central Credit Union branch, or by calling our Member Services Department at (800) 564-1588.

This Policy explains CommonWealth's overdraft practices, associated fees, and your options.

IMPORTANT INFORMATION REGARDING YOUR COMMONWEALTH CHECKING ACCOUNT
WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

An "overdraft" occurs when you do not have enough money available in your account (your "available balance") to cover a transaction, but it still gets paid. "Available balance" is the amount that determines whether or not your account has enough money to cover a specific purchase or transaction. (See Understanding Your Available Balance below.)

We can cover your overdrafts in two different ways:

1. **Standard Overdraft Practices:** Our Standard Overdraft Practices come with your checking account. You do not apply for this service, although you do have options. Overdrafts for ATM transactions and one-time debit card transactions are not covered by overdraft protection. You may also choose to opt-out of overdraft protection coverage.
2. **Extended Overdraft Protection:** You may apply for our Extended Overdraft Protection. This includes the benefits of our Standard Overdraft Practices, and also allows you to overdraft your account for ATM transactions and one-time debit card transactions.

Important Note: We authorize and 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 returned or declined.

1. STANDARD OVERDRAFT PRACTICES

CommonWealth has two-step Standard Overdraft Practices that come with your CommonWealth checking account. You do not apply for this service, but you may opt-out at any time. (See No Overdraft Protection Coverage below.)

Step One: Overdraft Transfers

Overdraft Transfers will be used first if funds are available.

Automatically Linked Savings Account: When you open a CommonWealth checking account, your checking account is **automatically** linked to your CommonWealth savings account. If you do not have enough available funds in your checking account to cover a transaction (if your "available balance" is insufficient), an Overdraft Transfer will be initiated to move available funds from your linked savings account in an amount necessary to cover the transaction.

Optional Linked Credit Card Account: You may choose, at your option, to link your credit card account as well. When your credit card account is linked, we will first attempt an Overdraft Transfer from your linked savings account. If there are insufficient available funds in your savings account, we will then attempt an Overdraft Transfer from your linked credit card account in an amount necessary to cover the transaction.

Please speak to a credit union representative for more information about how to link your credit card account.

What Transactions are Covered?
Overdraft Transfers will be made to cover checks and other transactions made using your checking account number, including automatic bill payments, as well as overdrafts caused by ATM transactions and one-time debit card transactions.

How Much Does It Cost?
There are no fees for overdraft transfers from your linked savings account.

Transfers from your linked credit card account are treated as a Cash Advance and begin accruing interest charges on the day the transfer occurs. Please refer to your Credit Card Agreement and Disclosure for more details about finance charges.

Step Two: Overdraft Protection

If there are insufficient available funds in your linked savings account (or available credit on your linked credit card account, if you have selected this option) to initiate an Overdraft Transfer, we may, as a courtesy, pay the transaction. If we do so, we will overdraw your account by the amount necessary to cover the transaction (or item) plus the Overdraft Protection Fee, up to your Overdraft Protection Limit.

What Transactions are Covered?
Our Overdraft Protection will cover checks and other transactions made using your checking account number, including automatic bill payments. **We do not authorize and pay overdrafts caused by ATM transactions or one-time debit card transactions unless you opt into Extended Overdraft Protection (see section 2 below).**

How Much Does It Cost?
The Overdraft Protection Fee is $14.00 for each transaction (or item) paid. There is no fee for transactions $5 or less. There is no limit on the total fees we can charge you for overdrawing your account each day.

Overdraft protection is not a line of credit. It is not a right of the member, but a discretionary service provided by CommonWealth, available to members who remain in "good standing," as defined below. CommonWealth is not obligated to pay any item presented for payment if your checking account does not contain sufficient available funds (your "available balance"). Any discretionary payment by CommonWealth of an overdraft does not obligate CommonWealth to pay any other overdraft (or item), or to provide prior notice of its decision to refuse to pay such overdraft (or item).

What is the Overdraft Protection Limit?
The Overdraft Protection Limit for consumer checking accounts is generally limited to a maximum of $1,000.00 (your maximum overdraft or negative balance), including any applicable fees.

Once you reach your Overdraft Protection Limit, items presented for payment for which there are insufficient available funds in your account will be returned or declined and a Non-Sufficient (NSF) Fee of $14.00 will be assessed for each such item. (See No Overdraft Protection Coverage below.)

When must an overdraft be repaid?
Any overdraft (negative) balance, and any applicable fees are immediately due and payable, with a maximum repayment period of thirty (30) days.

If you fail to bring your account to a positive balance within thirty (30) days, your overdraft protection will automatically be suspended. (See No Overdraft Protection Coverage below.) Each Primary Owner and each Joint-Legal Owner will continue to be liable, both individually and jointly, for all such amounts, as described in the Account Agreement.

What is Good Standing?

To be eligible for Overdraft Protection, you must maintain your personal accounts (primarily used for personal and household purposes) and your business accounts in good standing, which requires all of the following:

a) Your account is brought to a positive balance for a minimum period of twenty-four (24) hours at least once every thirty (30) day period;
b) You are not in default on any loan or other obligation to CommonWealth Central Credit Union;
c) Your account is not in a dormant/inactive status;
d) Your account is not held by a minor (under the age of 18); and
e) None of your accounts are subject to any legal or administrative order or levy, including bankruptcy status.

If you no longer meet the requirements for "good standing" (e.g., you become delinquent on a CommonWealth loan), your overdraft protection will automatically be suspended. (See No Overdraft Protection Coverage below.) Once you return to "good standing" (e.g., you make a payment to bring a previously delinquent loan current), your overdraft protection will be automatically reinstated.

If an item is presented for payment and you do not have enough money available in your account (your "available balance," as defined below) to cover the transaction, and the transaction is not covered by overdraft protection, that item will be returned or declined and a Non-Sufficient (NSF) Fee of $14.00 will be assessed for each such item. *(See No Overdraft Protection Coverage below.)* No NSF Fee will be charged when an ATM or one-time debit card transaction is declined.

Members have the option to choose to have no overdraft protection coverage (to "opt-out"). *(See No Overdraft Protection Coverage below.)* You can opt-out using CommonWealth's online form on our website at www.wealthcu.org, by visiting a branch office, or by calling our call center at (800) 564-1588 during normal business hours.

2. EXTENDED OVERDRAFT PROTECTION (OPTIONAL)

CommonWealth has an optional "Extended Overdraft Protection" service that has the same benefits as the Standard Overdraft Practices, but also covers ATM transactions and one-time debit card transactions. Account owners must request this service ("opt-in"). You can opt-in using CommonWealth's online form on our website at www.wealthcu.org, by visiting a branch office, or by calling our call center at (800) 564-1588 during normal business hours. You may opt-out again using any of these channels as well.

What Transactions are Covered?

Our Extended Overdraft Protection will cover checks and other transactions made using your checking account number, including automatic bill payments, just like our Standard Overdraft Practices. **In addition, we will cover overdrafts caused by ATM transactions and one-time debit card transactions.**

How Much Does It Cost?

The Overdraft Protection Fee is $14.00 for each transaction (or item) paid, including ATM transactions and one-time debit card transactions. There is no fee for transactions $5 or less. There is no limit on the total fees we can charge you for overdrawing your account each day.

All other terms and conditions applicable to our Standard Overdraft Practices will apply.

There is no monthly service fee to keep Extended Overdraft Protection on your account, and there is no fee if you never use it.

NO OVERDRAFT PROTECTION COVERAGE

You have the option to choose to have no overdraft protection coverage ("opt-out"), which means that you will not be covered by either our Standard Overdraft Practices or our Extended Overdraft Protection. If this is your choice, no

overdraft transfers will be set up from your savings account or credit card account. Checks, ACH and automatic bill payments will be returned unpaid, and ATM and debit transactions will be declined, if there are insufficient available funds. You can opt-out using CommonWealth's online form on our website at www.wealthcu.org, by visiting a branch office, or by calling our call center at (800) 564-1588 during normal business hours. You may opt-in again using any of these channels as well.

A transaction (item) presented for payment, and for which there are insufficient available funds in your account, may also be returned or declined at our discretion or if your overdraft protection has been suspended or terminated for any reason.

If an item is presented for payment and you do not have enough money available in your account (your "available balance," as defined below) to cover the transaction, and the transaction is not covered by overdraft protection, that item will be declined or returned unpaid and a Non-Sufficient (NSF) Fee will be assessed for each such item.

How Much Does It Cost?
The Non-Sufficient Funds (NSF) Fee is $14.00 for each transaction (or item) returned or declined. There is no limit on the total fees we can charge you each day.

Charges from the originating institution and/or merchant may also apply.

No NSF Fee will be charged by CommonWealth when an ATM or one-time debit card transaction is declined.

Notice Regarding NSF Fees: If multiple items are returned unpaid due to insufficient available funds on the same day, you will be charged an NSF fee for each returned item. The same item may be presented for payment more than once, and you will be charged an NSF fee each time that item is presented and returned due to insufficient available funds.

If there are excessive returned unpaid items not covered by an overdraft protection plan, we may terminate your account at any time without notice to you, or we may require you to close your account and apply for a new one. CommonWealth, in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

UNDERSTANDING YOUR AVAILABLE BALANCE

It is important that you understand the difference between your "actual balance" and your "available balance." Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending. Your available balance is the amount of money in your account that is available for you to use. In other words, "available balance" is the amount that determines whether or not your account has enough money to cover a specific purchase or transaction.

Your "available balance" is what you get when you subtract the following from your "actual balance":
(1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. We use your available balance to determine whether there are sufficient available funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions.

Pending transactions and holds placed on your account will reduce your available balance and may cause your account to become overdrawn, regardless of your actual balance. You should assume that any item that would overdraw your account based on your available balance will create an overdraft. You may check your available balance by logging in to Online Banking at www.wealthcu.org, at an ATM, by visiting a credit union branch or by calling us at (800) 564-1588.

How Transactions are Posted to Your Account (Order of Posting): There are two types of transactions that affect your account: credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is

available to you at any given time. Keep in mind that there are many ways transactions are presented for payment by merchants, and we are not necessarily in control of when transactions are received.

Credits. Deposits are generally added to your account when we receive them. However, in some cases, when you deposit a check, the full amount of the deposit may not be available to you at the time of deposit. For Automatic Clearinghouse (ACH) credits, transactions are posted to your account when received; however, they may not be available until the settlement date provided by the person or organization who initiated the deposit. Please refer to the Funds Availability Policy disclosure provided at the time you opened your account for details regarding the timing and availability of funds from deposits.

Debits. We will pay checks, automated debits (ACH), debit card transactions, ATM withdrawals and point-of-sale transactions in the order presented. Multiple checks presented for payment on the same day will be paid in order from lowest dollar amount to highest dollar amount. For ACH transactions, credits (deposits) are posted first then debits (withdrawals) are posted by settlement date, in the order received. For ATM and debit card transactions, items are posted in the order received. 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.

The following provides additional information about how and when debits are posted to your account.

- **Checks.** When you write a check, it is processed through the Federal Reserve System. We process the payments from low to high dollar value when we receive them.
- **ACH Payments.** We receive data files every business day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions for your account are posted throughout the day in order of receipt.
- **PIN-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card for which a merchant may require you to enter your Personal Identification Number (PIN) at the time of sale. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment.
- **Signature-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed, and those funds are no longer “available.” The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its payment processor. The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, a hold will be placed in an amount equal to the bill presented to you; but when the transaction posts, it will include any tip that you may have added to the bill. This may also be the case where you present your debit card for payment at gas stations, hotels and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

This is a general description of certain types of transactions. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law.

If you have any questions, please visit a CommonWealth branch or call us at (800) 564-1588.