

Gulf Coast 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 consumer account holders, we offer these useful services to cover you in the event that you overdraw your checking account.

Overdraft Payment options:

Transfer from another account – Your share draft account is set up to transfer funds from your regular share account (suffix -00) with a \$3.50 fee per transfer. Any additional share accounts of yours can be, at your request, set up as overdraft transfer sources.

Overdraft Privilege - Overdraft Privilege is a service we add to your consumer checking account to cover overdrafts to a set limit, subject to the eligibility criteria as explained below. While we reserve the right to unilaterally refuse to pay any item that is presented, with Overdraft Privilege we will generally pay your overdraft items up to \$500. When we pay overdraft items for you, you will be charged our normal overdraft fee, currently \$ 25.00, for each item that is presented. Both the amount of the overdraft items and all applicable fees, including but not limited to the \$25.00, NSF/Overdraft fees, are included in this limit.

Eligibility – You must complete an Opt-In form to elect any level of Overdraft Privilege protection. Eligibility is based on you managing your checking account in a responsible manner. You will be eligible for the Overdraft Privilege unless:

- You do not bring your account to a positive balance at least once every 30 days.
- 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 automatically 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 60 days, or if you were overdrawn during the first 60 days that your account was open.
- The share draft account shows insufficient deposit and transaction history during the first 60 days that the account was open.
- Your account is a fiduciary trust or escrow account.
- Your account is classified as dormant.
- Your base share account (suffix -00) is below the minimum required balance of \$5.00.
- You are primary or joint owner on any credit union account that is overdrawn for 30 consecutive days.

Suspension of Privilege - After the Overdraft Privilege has been activated, we have the right to suspend the privilege at any time based on failure to meet our eligibility criteria. We also reserve the right to suspend the privilege if we believe you are not managing your account in a responsible manner which may harm you or us. In that case, we may suspend your Overdraft Privilege even if you meet all the criteria listed above.

Transactions Covered by Overdraft Privilege - The Overdraft Privilege is available for checks you write, ACH items and Bill Pay transactions. You can also elect to extend coverage to ATM and everyday debit card transactions.

Payment Order of Items - The payment processing order we follow is ACH items, preauthorized automatic transfers, daily transactions to include any checks cashed by our employees or that you have written to us, telephone, audio response, or online banking transactions you have initiated, ATM and Visa Check Card transactions, and finally share draft items in the order they are presented.

Opt Out - You may never need to take advantage of these overdraft checking account payment options, but you may find them useful in the event of a temporary shortfall. In the event that you do not want to have Overdraft Privilege, simply complete an opt-out form and we will 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.