

Discretionary Overdraft Privilege Disclosure

It is the policy of Polish & Slavic Federal Credit Union (PSFCU) to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Membership & Account Agreement (M&AA) provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the Authorized Signatories and PSFCU with regard to your checking account. The M&AA (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Overdraft Privilege Disclosure and the M&AA. A copy of the M&AA is available to you on our website www.psfcu.com or upon request from any PSFCU employee.

The Overdraft Privilege is not a line of credit. However, if you inadvertently overdraw your account, we will have the discretion to pay the overdraft, subject to the limit of your then-existing Overdraft Privilege limit and the amount of the Overdraft Privilege fee. PSFCU is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by PSFCU of an overdraft check (or item, such as an ATM withdrawal) does not obligate PSFCU to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

Pursuant to PSFCU's commitment to always provide you with the best level of service, now and in the future, if you maintain your account in good standing, which includes at least:

- A) Bringing your account to a positive balance within every thirty-five (35) day period for a minimum period of 1 business day;
- B) Not being in default on any loan or other obligation to PSFCU and
- C) Not being subject to any legal or administrative order or levy,

PSFCU will have the discretion to pay overdrafts within the Overdraft Privilege limits, but payment by PSFCU is a discretionary courtesy and not a right of the member or an obligation of PSFCU. An Overdraft Privilege limit of \$100.00 will be given at account opening to eligible members. This privilege for personal/sole proprietor checking accounts will generally be limited to a maximum of \$300.00 overdraft (negative) balance (or \$500.00 for accounts with direct deposit) after a 35 day period and a maximum of \$500.00 (negative) balance for business accounts after 60 days. Of course any and all fees and charges (as set forth in our fee schedule and M&AA), will be included as part of this maximum amount. It may be possible that your account will become overdrawn in excess of the Overdraft Privilege amount as a result of the assessment of a fee. Maximum two personal/sole proprietor accounts and maximum one business account per member will qualify for the program.

The total of the discretionary Overdraft Privilege (negative) balance, which includes any and all fees and charges, such as Overdraft Privilege fees, is due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the M&AA. Our standard Overdraft Privilege fee of \$20.00 will be imposed for overdrafts created by checks, ACH, Bill Pay payments, ATM withdrawals, debit card transactions and in-person withdrawals. Any returned insufficient funds items are subject to a fee of \$20.00 per item (NSF fee). The maximum amount of Overdraft Privilege fees that will be charged to a member's personal/sole proprietor account is \$100 per day, maximum 5 Overdraft Privilege fees. We will not charge an Overdraft Privilege fee if a personal/sole proprietor account is overdrawn by first \$5.00 or less, for each negative balance term. **These limitations do not apply to business accounts.**

While PSFCU will have the discretion to pay overdrafts on accounts in good standing (as described above), any such payment is a discretionary courtesy, and not a right of the member or an obligation of PSFCU. PSFCU in its sole and absolute discretion can cease paying overdraft at any time without prior notice of reason or cause. If you do not maintain your account in good standing, the Overdraft Privilege limit will be reduced to \$100.00 or removed.

For our personal/sole proprietor members, PSFCU will not pay overdrafts for ATM or everyday debit card transactions unless PSFCU has provided you with the notice required by §1005.17(b) of Regulation E and you have opted in to the payment of these overdrafts.

PSFCU authorizes and pays transactions using the available balance in your account. The available balance is comprised of the account balance (collected funds) less any debit card holds, and does not include any deposited funds on hold. PSFCU may place a hold on deposited funds in accordance with our M&AA and other account disclosures. If the funds in the available balance are not sufficient to cover a transaction, any available overdraft protection and/or the amount of the Overdraft Privilege limit, may be used to authorize and pay a transaction.

PSFCU will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction. When the hold ends the funds will be added to the available balance in your account. If your account is overdrawn after the held funds are added to the available balance and the transaction is posted to the available balance, an Overdraft Fee may be assessed.

Both personal/sole proprietor and business members may discontinue having Overdraft Privilege cover future transactions at any time by contacting our Member Services Center at 855.PSFCU.4U (855-773-2848).

Update: March 2016