

Baylands Family Credit Union is under no legal obligation to pay on any item presented if your account does not have sufficient collected funds. The Credit Union does, however, have an Overdraft Privilege Policy which, at the discretion of the Credit Union, may result in one or more items being paid if: (a) your account does not have sufficient funds to pay those items; (b) your eligible account is primarily used for personal or business purposes; (c) that account has been open for at least ninety (90) days and thereafter you maintain your account in good standing. "Good Standing" is defined as: (i) you are not in default on any loan and /or VISA obligation with the Credit Union; (ii) you avoid using Overdraft Privilege as a line of credit; (iii) you bring your account to a positive end-of-day balance at least once every thirty (30) days; and (iv) your account is not subject to any administrative order or levy. Then, at periodic intervals, your account will be reviewed for eligibility. If eligible, personal accounts will be limited to a \$400.00 overdraft (negative) limit and business accounts will be limited to a \$500.00 overdraft (negative) limit. In the months when your account is eligible for Overdraft Privilege, we will consider, without obligation on our part, approving your reasonable overdrafts. If the Credit Union does extend such a courtesy to your account, any and all fees and charges, including, without limitation, Non-Sufficient Fund (NSF) Overdraft Privilege fees, will be charged to your account and will be deducted from this limit. Whether Baylands Family Credit Union pays or returns any items for Non-Sufficient Funds, an applicable fee (which can be found in our current Fee Schedule) per occurrence will be charged. Such Overdraft Privilege will only apply to transactions that overdraw your account through payments authorized by paper based check (share draft), teller withdrawal, an automatic (ACH) payment transaction or recurring debit card payment and for business accounts only, ATM and one time debit card transactions. Overdraft Privilege does not apply to payroll distributions, scheduled deductions, telephone transfers, Online Banking transfers, or any other type of transactions that may result in a negative balance in your account.

In the normal course of business, we generally pay electronic transactions first and then checks low to high, by serial number, per the credit union's policy. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, please be aware that the order of payment may create multiple overdraft items during a single banking day for which you will be charged our Paid Item Overdraft (OD) fee (which can be found in our current Fee Schedule) per overdraft item paid.

Baylands Family Credit Union will retain the right to refuse to pay an overdraft at any time, even though it may have previously paid the overdraft(s). Members will be informed by mail or email notifications (if enrolled) of the NSF items paid or returned, as reflected in each and every account.

Baylands Family Credit Union has no obligation to notify a member before it pays or returns an item. The amounts of any such overdrafts and applicable fees are payable upon demand. Joint account owners are fully responsible for any such overdrafts, whether or not the joint owner received the benefit of the funds creating the overdraft. Collection action may be taken on the negative account balances after thirty (30) calendar days. Baylands Family Credit Union limits the number of accounts eligible for Overdraft Privilege to one designated checking account per membership account. Overdraft Privilege should not be used as a line of credit, and the Credit Union reserves the right to consider such action as abuse of the service and suspend Overdraft Privilege without prior notification.

Your Checking Account Balance. Your checking account has two kinds of balances: the "actual" balance and the "available" balance. Both can be checked when you review your account online, by phone, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. This section explains actual and available balances and how they work.

Your **actual** balance is the full amount of all deposits made into your account less payment transactions that have actually "posted" to your account. While the term "actual" may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. It does not reflect checks you have written or payments you have authorized, or holds on deposits that have not yet posted. For example, if you have a \$50.00 actual balance, but you just wrote a check for \$40.00, then your actual balance is \$50.00 but it does not reflect the pending check transaction. So at that point, you actually have \$50, but you have already spent \$40. Also, the actual balance does not include holds that may be placed on checks you deposit. Thus, if you deposit a \$1,000 check, your actual balance will increase by \$1,000 but only \$225 may be available for you to spend because there may be a hold on \$775 for a period of time.

Your **available** balance is the amount of money in your account that is available to you to use without incurring an overdraft fee. The available balance takes into account things like holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment. In that case, we will put a "hold" on your account for \$20. Your actual balance would still be \$50.00 because this transaction has not yet posted, but your available balance would be \$30 because you have committed to pay the restaurant \$20. When the restaurant submits its bill for payment (which could be a few days later), we will post the transaction to your account and your actual balance will be reduced by \$20. Available balance at the time a transaction posts to your account is used to determine when your account is overdrawn.

It is very important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your available balance may not reflect all the outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account. In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account.

Opt-Out Notification: Baylands Family Credit Union will automatically review each share draft account for eligibility in the Overdraft Privilege. A member may opt-out of Overdraft Privilege at any time; however you are responsible for any Overdraft Privilege balance at the time of opting out. Opt Out by notifying Baylands Family Credit Union in writing or by calling (804) 843-2520. Your acceptance of the benefit of this service on any occasion constitutes your consent for consideration in this service for the next following occurrence, if any.

DISCLAIMER

Baylands Family Credit Union's Overdraft Privilege Policy is non-contractual and discretionary. This Policy creates no obligation for the Credit Union to provide this service and the Credit Union may refuse to provide this service at any time. The member does not have a contractual right to receive this service and is not guaranteed this service will be provided for any given account(s).

If the credit union pays a draft(s) that would otherwise overdraft the account, you agree to pay the overdraft amount immediately. Our payment of items that create an overdraft in your account does not alter our standard procedures for crediting deposits and paying subsequent items. Any deposits or credits to your overdrawn account will be applied to reduce the amount of the overdraft. This includes deposits of credits from payroll checks, Social Security, retirement checks or other government benefits or any other payments or credits made to any of your accounts. We reserve the right to pursue collection of previously dishonored items at any time including giving a payer bank extra time beyond any midnight deadline limits.