

PEOPLE'S TRUST FEDERAL CREDIT UNION
Discretionary Overdraft Tolerance Policy

It is the policy of People's Trust Federal Credit Union to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Membership and Account Agreement ("Account Agreement") provided to you at the time of membership and as amended from time to time shall control in the event any conflict with this Discretionary Overdraft Tolerance Policy. The Account Agreement is available online at www.peoplestrustfcu.org, at any branch office, or by contacting us.

An overdraft occurs when you do not have enough available funds in your checking account to pay a transaction presented for payment, whether the transaction is made by check, Automated Clearing House (ACH) electronic debit, ATM or debit card, online bill payment, in-person, or other means. If this occurs, and if no other form of overdraft protection is available to pay the transaction, rather than returning the payment to the payee for insufficient funds and charging an Overdraft Fee, our Discretionary Overdraft Tolerance service may provide eligible members in good standing with the privilege to have the transaction paid and charged to their checking account. Members must be at least 18 years old to qualify for this service. Eligible members must additionally have a qualifying checking account and maintain their accounts in good standing as determined by the Credit Union, which includes without limitation:

- Depositing an amount greater than or equal to the amount of any Discretionary Overdraft Tolerance extended to you in your account within 30 days of an overdraft and bringing your account balance to a positive balance within such 30-day period.
- Not being in default on any loan or other obligation owed to the Credit Union.
- Not being subject to any legal or administrative order or levy.

Upon approval of a qualifying checking account, this service will automatically be extended for check, ACH, online bill payment, recurring debit card, and in-person transactions. If you would like the service to apply to your ATM and everyday (one-time) debit card transactions, you must affirmatively opt-in by completing our opt-in form. Not all checking accounts may be eligible for the Overdraft Tolerance service. Contact us to verify if your account qualifies.

Opt-Out: If you do not want to participate and want to opt out of any Overdraft Protection service you have with us, you may do so at any time by notifying us in writing, by phone, or in-person at one of our branch offices.

An Overdraft fee of \$29 will apply for each transaction paid using the Overdraft Tolerance service. In addition, the amount of any overdraft must be resolved promptly. We will also charge a Negative Account Fee of \$5 per day if your account remains overdrawn for more than 10 calendar days. There is no limit to the number of overdrafts and Overdraft fees you may incur each day, so you must take care to carefully manage your account to avoid fees. We also offer an Overdraft Protection service that automatically transfers available funds from your designated savings account and/or line of credit account to pay overdrafts. This service is less costly than the Overdraft Tolerance service. Please contact us to learn more about this option.

The Overdraft Tolerance service is not a line of credit and is not guaranteed. You should always manage your accounts responsibly and never depend on the service to pay your transactions. However, if you should occasionally and inadvertently overdraw your account and if you qualify, we will strive to pay your reasonable overdrafts, subject to our internal policy limits and the Overdraft Fee.

Please be aware that transactions may be processed in any order we choose but are generally processed in the order they are received. Refer to the Overdrafts section of the Membership and Account Agreement for more information. In any event, the order in which we process your transactions may be different from the order in which they occurred, and this can affect the total amount of Overdraft Fees and Overdraft Protection transfer fees you may incur. If multiple checks, items, or other payment orders (collectively, "items") are paid with the Overdraft Tolerance service in one day, multiple fees will be incurred. The order in which we process items may cause your smaller items to be paid first, but this process may decrease the amount of Overdraft Fees or Overdraft Protection transfer fees you may have to pay if sufficient funds are not available. **To avoid fees, you must take care to track of all of your transactions and ensure you have sufficient funds available in your checking account when the transactions are presented to us.**

The Credit Union is not obligated to pay any item presented for payment if your accounts do not contain sufficient available funds. Please refer to the Overdrafts section of the Membership and Account Agreement for information about the available funds balance and how it can affect overdrafts. Any discretionary payment (or other negotiation or processing) by the Credit Union of any non-sufficient funds check or other item does not obligate or create an agreement or course of dealing for the Credit Union to pay any additional non-sufficient funds check or item or to provide prior notice of its decision to refuse to pay any additional non-sufficient funds check or item.

The total of any discretionary Overdraft Tolerance balance, including Overdraft Fees, is due and payable upon demand and in no event more than 30 days after we have paid each overdraft. The member and each joint owner shall be responsible, individually and jointly, for all such amounts, as described in the Membership and Account Agreement. In addition, should a member's account remain overdrawn past the 30-day period, we may suspend or terminate the member's Overdraft Tolerance service, and the member and any joint owners will be responsible for any collection fees incurred. Once again, while the Credit Union will have the non-contractual discretion to pay overdrafts on accounts in good standing (as described above) in accordance with this policy, any such payment is a discretionary courtesy, and not a right of the account holder or an obligation of the Credit Union. The Credit Union, in its sole and absolute discretion, may cease paying overdrafts or offering this service at any time without prior notice of reason or cause.

We want you to understand how our Overdraft Tolerance and Overdraft Protection services work so that you can manage your account effectively and avoid overdraft fees. Please refer to the Membership and Account Agreement for additional information about our overdraft services. If you do not understand the services or if you are having trouble managing your account overdrafts, please contact us for assistance.

713.428.3200 / 800.321.2411

www.peoplestrustfcu.org