

OVERDRAFT COVERAGE OPTIONS: OVERDRAFT PROTECTION AND COURTESY PAY

Upward Credit Union understands that unexpected overdrafts occur from time to time – Overdraft Coverage can help.

Overdraft Coverage Options

The choice is yours. Consider these ways to cover overdrafts:

Service	Cost
Overdraft Protection Link to a Savings Account(s) you have at Upward Credit Union	\$0 fee per transfer
Courtesy Pay	\$30 Courtesy Pay Fee (CP) per item.

Overdraft Protection applies to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account you may have at Upward Credit Union.

Courtesy Pay allows you to overdraw your account up to the disclosed limit for a fee to pay a transaction. Even if you have Overdraft Protection, Courtesy Pay is still available as secondary coverage if the other protection source is exhausted. Please review the **“What Else You Should Know”** section included with this disclosure for other important information.

Transactions Covered with Courtesy Pay	Standard Coverage (No action required)	Extended Coverage (Your consent required on consumer accounts) *	If you would like to select Extended Coverage for future transactions:
Checks	X	X	<ul style="list-style-type: none"> • call us at (650) 231-1300 • complete the online consent form found at http://www.upwardcu.org • visit any branch • complete a consent form and mail it to us at 1860 El Camino Real, STE 100 Burlingame, CA 94010 • e-mail us at info@upwardcu.org
ACH - Automatic Debits	X	X	
Recurring Debit Card Transactions	X	X	
Online Bill Pay Items	X	X	
ATM Transactions		X*	
Everyday Debit Card Transactions		X*	

*If you choose Extended Coverage on your consumer account, **ATM transactions and everyday debit card transactions** will be included with the transactions listed under Standard Coverage. If you already have Courtesy Pay Extended Coverage, it is not necessary to request it again.

You can discontinue Courtesy Pay in its entirety by contacting us at (650) 231-1300 or sending us an e-mail at info@upwardcu.org.

What Else You Should Know

- A link to another account may be a less expensive option than an overdraft. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts. Good account management is the best way to avoid overdrafts. Use our mobile banking, internet banking, and telephone banking services to keep track of your balance. For additional financial education resources, please visit www.mymoney.gov.
- The \$30 Courtesy Pay Fee (CP) that is charged if you overdraw your account is the same fee amount that is charged if an item is returned as unpaid. If multiple items overdraw your account on the same day, each item will be assessed an appropriate Courtesy Pay Fee (CP) or a Non-sufficient Funds Fee (NSF) of \$30. All fees and charges will be included as part of the Courtesy Pay limit amount. Your account may become overdrawn more than the Courtesy Pay limit amount because of a fee.
- If an item is returned because the available balance in your account is not sufficient to cover the item and the item is presented for payment again, Upward Credit Union will charge a Non-sufficient Funds Fee (NSF) each time it returns the item because it exceeds the available balance in your account. If, on representation of the item, the available balance in your account is sufficient to cover the item Upward Credit Union may pay the item, and, if payment causes an overdraft, charge an Courtesy Pay Fee (CP).
- There is no limit on the total Courtesy Pay Fee (CP) per day we will charge.
- The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. We will pay checks, automated debits (ACH), Debit Card transactions, ATM withdrawals and point-of-sale transactions in the order presented to the Credit Union. Multiple checks presented for payment on the same day will be paid in check number order. For ACH transactions, deposits are posted first then debits are posted by settlement date, then lowest to highest amount. For ATM Card and Debit Card transactions, items are posted in the order received. You understand that 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.
- Although under payment system rules, Upward Credit Union may be obligated to pay some unauthorized debit card transactions, Upward Credit Union will not authorize debit card or ATM transactions unless your account's available balance (including Overdraft Coverage Options) is sufficient to cover the transactions and any fee(s).
- Giving us your consent to pay everyday debit card and ATM overdrafts on your consumer account (Extended Coverage) may result in you incurring Courtesy Pay Fees (CP) for transactions that we would otherwise be required to pay without assessing an Courtesy Pay Fees (CP). However, this would allow us to authorize transactions up to the amount of your Courtesy Pay limit and may also help you avoid overdrafts in excess of your available balance. If you consent to Extended Coverage on your consumer account, it will remain on your account until it is otherwise withdrawn.
- Actual and Available Balances: It is also important that you understand the difference between your "actual balance" and your "available balance" in order to properly manage the money in your account and avoid overdraft and insufficient fund fees. Your "actual balance" is the beginning of the day balance after the prior evening's posting. This balance is changed at the close of business every day and stands as is until the close of business on the following day. Your "available balance" is the amount you have in your account at a particular time that is available for immediate withdrawal. Your available balance is updated throughout the day to reflect holds, pending transactions and cleared deposits. The difference between your actual balance and your available balance is the result of pending activity that has not yet posted to the account (example, any "pending" deposits, checks, transfers and withdrawals or holds on your account). We will use the "available balance" in your account to determine if you have sufficient funds to cover your transactions. You can determine your available balance at the ATM, by phone or by accessing your account online or with mobile banking. You understand that you may be overdrawn even when your actual balance is positive. You also 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 wish to make because your available balance will not reflect all your outstanding checks, automatic bill payments or recent deposits. In addition, your available balance will not reflect all of your debit card transactions. For example, if a merchant obtains your 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 are required to 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. We do not determine and are not responsible for any hold amounts placed by merchants. We encourage you discuss such holds with merchants to determine how much the merchant may place on hold. You must also keep careful records and practice good account management to avoid making transactions without sufficient funds available for withdrawal. For additional details on the availability of your funds for withdrawal, see the section entitled "Funds Availability Policy." If you have additional questions about your available or actual balance, please see a branch representative or call 650.231.1300. 20 Example 1: If you write a check for \$25 but it has not yet cleared your account, your available

balance will be \$25 less than what is reflected by your actual balance. Example 2: If you authorize a debit card transaction for \$30 but it has not yet posted to your account, your available balance will be \$30 less than what is reflected by your actual balance. Example 3: The following transactions are not reflected in your available balance: Any checks you have written that have not yet been presented for payment. Any automatic bill payments you have scheduled that have not yet been sent. Any debit card transactions where the authorization hold has been released but the transaction has not yet been submitted to the Credit Union.

- Upward Credit Union 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, a Courtesy Pay Fee (CP) may be assessed.
- Except as described herein, Upward Credit Union will not pay items if the available balance in your account (including the Courtesy Pay limit, if applicable) is not sufficient to cover the item(s) and the amount of any fee(s).
- New consumer checking accounts will receive a \$100 Introductory Courtesy Pay limit at account opening that will be increased to \$500 or \$750 with Direct Deposit after 60 days in good standing.
- Courtesy Pay is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Courtesy Pay may be suspended if you default on any loan or other obligation to us, your account becomes subject to any legal or administrative order or levy, or if you fail to maintain your account in good standing by not bringing your account to a positive balance within 32 days for a minimum of one business day. You must bring your account balance positive for at least one business day to have the Courtesy Pay limit reinstated.
- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Member Service Agreement. The total (negative) balance, including all fees and charges, is due and payable upon demand.

If you have any questions about Overdraft Protection or Courtesy Pay, please call us at (650) 231-1300 or visit a branch.

WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account.
2. We also offer overdraft protection plans, such as a link to another account, which may be less costly than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our standard overdraft practices.

➤ **What are the standard overdraft practices that come with my account?**

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments

We will not authorize and pay overdrafts for the following types of transactions without your consent.

- ATM transactions
- Everyday debit card transactions

We 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 declined.**

➤ **What fees will I be charged if Upward Credit Union pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of up to **\$30** each time we pay an overdraft
- **There is no limit** per day on the total fees we can charge you for overdrawing your account

➤ **What if I want Upward Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call (650) 231-1300, visit our website at <http://www.upwardcu.org>, email us at info@upwardcu.org, complete the form below and present it at a branch or mail it to: 1860 El Camino Real, STE 100 Burlingame, CA 94010 . You can revoke your authorization for Upward Credit Union to pay these overdrafts at any time by any of the above methods. Your revocation must include both your name and your account number so that we can properly identify your account.

_____ **I do not** want Upward Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

_____ **I want** Upward Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____

Date: _____

Account Number: _____