

OVERDRAFT COVERAGE OPTIONS: OVERDRAFT PROTECTION AND PRIVILEGE PAY

Life happens! Gulf 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 Another Deposit Account you have at Gulf Credit Union ¹	\$3 fee per transfer
Overdraft Protection Line of Credit ^{1, 2}	Subject to interest
Privilege Pay	\$30 Overdraft Fee per item.

¹Call us at (409) 963-1191, email us at memberservice@gecu.org, or come by a branch to sign up or apply for these services;

²Subject to credit approval.

Overdraft Protection applies to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account or line of credit you may have at Gulf Credit Union for a fee or finance charge. Please note that overdraft lines of credit are subject to credit approval.

Privilege 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, Privilege 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 Privilege 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 (409) 963-1191 • complete the online consent form found at https://www.gecu.org • visit any branch • complete a consent form and mail it to us at 5140 West Parkway, Groves, TX 77619 • e-mail us at memberservice@gecu.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 Privilege Pay Extended Coverage, it is not necessary to request it again. Business accounts automatically have Extended Coverage.

You can discontinue Privilege Pay in its entirety by contacting us at (409) 963-1191 or sending us an e-mail at memberservice@gecu.org.

What Else You Should Know

- A link to another account or a line of credit 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 Overdraft Fee 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 Overdraft Fee or a Returned Item Fee of \$30. All fees and charges will be included as part of the Privilege Pay limit amount. Your account may become overdrawn more than the Privilege 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, Gulf Credit Union will charge a Returned Item Fee each time it returns the item because it exceeds the available balance in your account. If, on re-presentation of the item, the available balance in your account is sufficient to cover the item Gulf Credit Union may pay the item, and, if payment causes an overdraft, charge an Overdraft Fee.
- This describes the posting order for purposes of determining overdrafts. Our general policy is to post ACH credits before ACH or share draft debits. All debit transactions post in the order in which the items are received. Holds on funds (described herein) and the order in which transactions are posted may impact the total amount of Overdraft Fees or NSF Fees assessed.
- Although under payment system rules, Gulf Credit Union may be obligated to pay some unauthorized debit card transactions, Gulf 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 your consent to pay everyday debit card and ATM overdrafts on your consumer account (Extended Coverage) may result in you incurring Overdraft Fees for transactions that we would otherwise be required to pay without assessing an Overdraft Fee. However, this would allow us to authorize transactions up to the amount of your Privilege Pay limit and may also help you avoid overdrafts in excess of your available balance that could result in suspension of your debit card. If you consent to Extended Coverage on your consumer account, it will remain on your account until it is otherwise withdrawn.
- Gulf Credit Union authorizes and pays transactions using the available balance in your account. Gulf Credit Union may place a hold on deposited funds in accordance with our Deposit Account Agreement and Disclosure, which will reduce the amount in your available balance. The available balance for checks, ACH items, and recurring debit card transactions is comprised of the ledger balance, less any holds on deposited funds and any debit card holds, plus the amount of the Privilege Pay limit and any available Overdraft Protection. The available balance for ATM and everyday debit card transactions on accounts with Standard Coverage is the ledger balance, less any holds on deposited funds and any debit card holds, plus any available Overdraft Protection, but does NOT include the Privilege Pay Limit. For accounts with Extended Coverage, the Privilege Pay Limit is included in the available balance for authorizing ATM and everyday debit card transactions.
- Please be aware that the Privilege Pay amount is not included in your available balance provided through online banking, mobile banking or Gulf Credit Union's ATMs.
- Gulf 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, an Overdraft Fee may be assessed.
- Except as described herein, Gulf Credit Union will not pay items if the available balance in your account (including the Privilege Pay limit, if applicable) is not sufficient to cover the item(s) and the amount of any fee(s).
- Gulf Credit Union may suspend your debit card if you incur overdrafts in excess of the available balance in your account, including any Privilege Pay limit (as described herein). Debit cards on your account will remain suspended until you make sufficient deposits so that your available balance, taking into account any Privilege Pay limit, is positive and then you contact us.
- Gulf Credit Union may also suspend your debit card if your account is overdrawn more than 35 consecutive calendar days. Debit cards on your account will remain suspended until you make sufficient deposits so that your account balance is positive.
- Gulf Credit Union may also suspend your debit card if we are unable to contact you due to an incorrect mailing address or phone number(s). You must contact us with your correct mailing address and/or phone number(s) to have your debit card reinstated.
- We may charge a fee of \$5 to reactivate your debit card if we suspend your debit card.

- If your debit card is suspended, you will be unable to use your debit card(s) for purchases or to access your account(s) associated with the debit card(s) at the ATM while your debit card is suspended. If you use your debit card for recurring payments, e.g., utilities, you are responsible to make other arrangements for your recurring debit payment(s).
- New consumer and business checking accounts will receive a \$100 Introductory Privilege Pay limit at account opening that will be increased to \$700 after 35 days in good standing for consumer accounts or to \$1,000 after 35 in good standing for business accounts.
- Privilege Pay is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Privilege Pay may be reduced 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 35 days for a minimum of one business day. You must bring your account balance positive for at least one business day to have the full Privilege 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 Deposit Account Agreement and Disclosure. The total (negative) balance, including all fees and charges, is due and payable upon demand.

If you have any questions about Overdraft Protection or Privilege Pay, please call us at (409) 963-1191 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 or a line of credit, 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 Gulf 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 Gulf 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 (409) 963-1191, visit our website at <https://www.gecu.org>, email us at memberservice@gecu.org, complete the form below and present it at a branch or mail it to: 5140 West Parkway, Groves, TX 77619. You can revoke your authorization for Gulf 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 Gulf Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

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

Printed Name: _____

Date: _____

Account Number: _____