

OVERDRAFT PRIVILEGE SERVICE

Sharon & Crescent Credit Union (“we, us or our”) offers the Overdraft Privilege Service (OPS). If your account qualifies for OPS, we will consider, without obligation on our part, paying certain items for which your account has insufficient or unavailable funds, instead of automatically returning those items unpaid. This document explains how OPS operates.

Transactions That May Result in an Overdraft - An overdraft occurs when you do not have enough money in your account to cover a transaction. Although there are many reasons why your account might become overdrawn, most overdrafts result from the following:

- a. You write a check, use your debit card or initiate an electronic funds transfer in an amount that exceeds the amount of funds available in your account;
- b. You deposit a check or other item into your account which is returned unpaid, and the amount is deducted from your account balance;
- c. You have inadequate funds in your account when we assess a fee or service charge; or
- d. You initiate a transaction before funds deposited into your account are “available” or “finally paid” according to our Funds Availability Policy. For example, if you deposit a check into your account, the proceeds of that check may not be available to you for up to several days after you deposit the check. If you do not have sufficient funds in your account — independent of the check — to cover the transaction, you will incur an overdraft.

Transactions That Are Covered by the OPS Program: The general OPS program applies to only certain types of transactions, including checks, other transactions made using your checking account number, automatic bill payments, and preauthorized, recurring transactions made with your debit card. ***The OPS program does not automatically include ATM transactions and everyday (one-time) debit card transactions.*** We will not include ATM and everyday debit card transactions within our OPS program without first receiving your affirmative consent to do so. Absent your affirmative consent, ATM and everyday debit card transactions generally will not be paid. Participation in OPS is not mandatory. When your account meets the eligibility requirements listed below, OPS will be made available to your account. You may opt-out of the service any time by notifying one of our Member Service Representatives. Furthermore, you may revoke your previous affirmative consent to have ATM and everyday debit card transactions considered for payment under OPS without removing other items from the service. Simply inform us of your preference.

As noted above, we retain full discretion to decline to pay any item under the OPS program. This means we can refuse to pay any overdraft for any reason. Even if we decide to pay an overdraft item, absent an agreement to the contrary, such payment does not create any duty to pay future overdrafts. If we do not authorize and pay an overdraft under the OPS program, your transaction will be declined and we may assess non-sufficient funds (NSF) fees on your account in accordance with your account agreement and the fee schedule in effect at the time of the overdraft. We post transactions, whether deposits or withdrawals (payments as described above) against your account balance in the order in which they are received by us, without regard to the type or amount of the transaction.

Fees: For each item we pay under OPS that results in an overdraft, we will charge the standard per item Overdraft Fee set forth in our Service Charge Schedule. However, absent your affirmative consent to do so, if we inadvertently pay an ATM or everyday debit card transaction, causing an overdraft, we will not charge a fee. We will not charge for more than five items in any one day, and an insufficient funds fee will not be assessed on items less than \$5.01. We will notify you by mail if we pay or return any insufficient or unavailable funds items on your account; however, we have no obligation to notify you before we pay or return any item. The amount of any overdrafts, including our fees, are due and payable immediately or on demand.

Accounts eligible for OPS: Checking accounts owned by natural persons age 18 or older and by businesses are generally eligible for OPS. OPS is a discretionary program and is generally limited to an \$800 overdraft (negative) balance for eligible accounts. Please note that per item overdraft fees count toward your OPS limit. We may, in our sole discretion, limit the number of accounts eligible for OPS to one account per household or per taxpayer identification number. Further, OPS is usually extended only to accounts in good standing. An account in good standing exhibits, but is not limited to, the following characteristics:

- a. The account has been open for at least thirty (30) days;
- b. The account has deposits totaling at least \$400 or more within each thirty (30) day period;
- c. The account demonstrates consistent deposit activity;
- d. The account owner is current on all loan obligations with us; and
- e. The account is not subject to any legal or administrative order or levy, such as bankruptcy or tax lien.
- f. Overdrafts are repaid promptly following each occurrence.

Other Forms of Overdraft: We offer other overdraft protection services in addition to OPS. **OPS is not a Line of Credit.** We do offer an **Overdraft Line of Credit** linked to your checking account and **Overdraft Transfer** linked from a savings account of yours with us to your checking account. (Overdraft Transfers from your savings account are limited under other terms of your account agreement.) If you apply and are approved for either one or both these optional services, you may save money on the total fees you pay us for overdraft protection services. Overdrafts should not be used to pay ordinary or routine expenses and you should not rely on overdrafts as a means to cover these expenses. If, at any time, you feel you need help with your financial obligations, please contact a Member Service Representative at 781-784-7725.