

OVERDRAFT COVERAGE OPTIONS: OVERDRAFT PROTECTION AND OVERDRAFT PRIVILEGE

Service 1st Federal 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 Service 1st ¹	No fee per transfer
Overdraft Protection FlexLine of Credit ^{1, 2}	Subject to interest
Overdraft Privilege Standard or Extended Coverage	\$20 Overdraft Fee per item presented*

¹Call us at 800.562.6049, option 5, or visit any Service 1st branch to sign up or apply for these services; ²Subject to credit approval.

** Per item presented means each time an item is presented, including re-presentation.*

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 Service 1st for a finance charge. Please note that overdraft lines of credit are subject to credit approval.

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

Transactions Covered with Overdraft Privilege	Standard Coverage (No action required)	Extended Coverage (Your consent required on consumer accounts) *	
Checks	X	X	If you would like to select Extended Coverage for future transactions: <ul style="list-style-type: none"> • call us at 800.562.6049, option 5 • log in to Service 1st digital banking, select “overdraft protection” in the menu items, then “debit card overdraft privilege” to opt in your debit card (for extended coverage only) • complete the online consent form found at: https://www.service1.org/ServiceFirst/media/PDF/ODConsentF.pdf • or, visit any Service 1st branch location
ACH - Automatic Debits	X	X	
Recurring Debit Card Payments	X	X	
Online Bill Pay Items	X	X	
Internet Banking Transfers	X	X	
Telephone Banking	X	X	
Teller Window Transactions	X	X	
ATM/ITM Transactions		X*	
Everyday Debit Card Transactions		X*	

*If you choose Extended Coverage on your consumer account, **ATM/ITM transactions and everyday debit card transactions** will be included with the transactions listed under Standard Coverage. If you already have Overdraft Privilege Extended Coverage, it is not necessary to request it again. Business accounts automatically have Extended Coverage.

You can discontinue the Overdraft Privilege in its entirety by contacting us at 800.562.6049, option 5, or by sending a request to Attn: Overdraft Privilege Manager, Service 1st Federal Credit Union, 1985 Montour Blvd., PO Box 159, Danville, PA 17821.

WHAT ELSE YOU SHOULD KNOW

- A link to another account or line of credit may be less expensive than an overdraft. A single larger overdraft will result in one fee, instead of multiple smaller overdrafts. Use our digital and telephone banking services to track your balance. For financial education resources, please visit www.mymoney.gov.
- The \$20 Overdraft Fee that is charged if you overdraw your account is the same fee 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 an NSF Fee of \$20. All fees and charges will be included as part of the Overdraft Privilege limit amount. Your account may become overdrawn more than the Overdraft Privilege limit amount because of a fee.
- For consumer accounts, there is no limit on the total Overdraft Fees per day we will charge you for overdrawing your account.
- Recipients of federal or state benefits payments who do not wish for us to deduct the amount overdrawn and the Overdraft Fees from Federal or state benefit payment funds that you deposit or that are deposited into your account may call us at 800.562.6049 to discontinue Overdraft Privilege.
- If an item is returned because the Available Balance (as defined below) in your account is not sufficient to cover the item and the item is presented for payment again, Service 1st (“We”) may charge an NSF each time we return the item because it exceeds the Available Balance in your account. Because we may charge an NSF Fee each time an item is presented, **we may charge you more than one fee for any given item as a result of a returned item and re-presentation of the item.** When we charge an NSF Fee, the charge reduces the Available Balance in your account and may put your account into (or further into) overdraft. If, on re-presentation of the item, the Available Balance in your account is sufficient to cover the item we may pay the item, and, if payment causes an overdraft, charge an Overdraft Fee. We may use the terms “item” and “transaction” interchangeably.
- This describes the posting order for purposes of determining overdrafts. All items are posted against the Account’s Available Balance. Your Available Balance reflects check holds and debit card authorization holds. Debit card and ATM/ITM withdrawals are posted real-time and processed as they are presented. Checks are posted by batch and sorted to post the smallest items first. Larger items that might cause an overdraft are posted last. ACH direct deposits are posted first, then ACH withdrawals are deducted from smallest amount to largest. 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.
- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Membership Account Agreement. The total (negative) balance, including all fees and charges, is due and payable upon demand.
- Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- We may be obligated to pay some debit card transactions that are not authorized through the payment system but which we are required to pay due to the payment system rules, and as a result you may incur fees if such transactions overdraw your account. However, we will not authorize debit card or ATM/ITM 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/ITM 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 Overdraft Privilege limit. If you consent to Extended Coverage on your consumer account, it will remain on your account until it is otherwise withdrawn.

Understanding your Available Balance: Your account has two kinds of balances: the Ledger Balance and the Available Balance.

- We authorize and pay transactions using the Available Balance.
- Your Ledger Balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending.
- Your Available Balance is the amount available to you to use for purchases, withdrawals, or to cover transactions. The Available Balance is your Ledger Balance, less any holds due to pending debit card transactions and holds on deposited funds.
- The balance used for authorizing 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 Overdraft Privilege limit and any available Overdraft Protection.
- The balance used for authorizing ATM/ITM 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 Overdraft Privilege limit.
- The balance used for authorizing ATM/ITM and everyday debit card transactions on accounts with Extended Coverage is your Available Balance plus any available Overdraft Protection and includes the Overdraft Privilege limit.
- Because your Available Balance reflects pending transactions and debit holds, your balance may appear to cover a transaction but later upon settlement it may not be sufficient to cover such transaction. In such cases, the transaction may further overdraw your account and be subject to additional overdraft fees. You should assume that any item which would overdraw your account based on your Available Balance may create an overdraft. Note that we 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.
- Please be aware that the Overdraft Privilege amount is not included in your Available Balance provided through digital banking or Service 1st ATMs/ITMs.

- We 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, we will not pay items if the Available Balance in your account (including the Overdraft Privilege limit, if applicable) is not sufficient to cover the item(s) and the amount of any fee(s).
- We may suspend your debit card if your account is overdrawn more than thirty-two (32) consecutive calendar days. Debit cards on your account will remain suspended until you make sufficient deposits so that your account balance is positive.
- We 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 avoid having your debit card suspended for this reason.
- If your debit card is suspended, you will be unable to use it for purchases or to access your account at the ATM/ITM, and if you use your debit card for recurring payments, e.g., utilities, you are responsible to make other arrangements for your recurring payment(s).
- The Credit Union reserves the right, at its sole discretion, to deny issuance or re-issuance of a card at any time. Factors that may be considered in exercising this right include, but are not limited to, suspected fraudulent activity, abuse of the card or account, adverse account history, or any other risk-related concerns as determined by the Credit Union.

Understanding Overdraft Privilege Limits

- New consumer and business checking accounts will receive a \$50 Introductory Overdraft Privilege limit at account opening that will be increased to \$500-\$750 (Consumer) after thirty-five (35) days in good standing for consumer accounts or to \$750 (Business) after sixty (60) Business days in good standing for business accounts.
- Overdraft Privilege may be reduced/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 thirty-two (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 full Overdraft Privilege limit reinstated.

If you have any questions about Overdraft Protection or Overdraft Privilege, please call our Overdraft Privilege Manager at 800.562.6049, option 5 or visit any Service 1st branch location.