

**Overdraft Coverage Options:  
Overdraft Privilege and Overdraft Protection**

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
<b>Overdraft Protection Link to Another Deposit Account you have at Service 1st<sup>1</sup></b>	<b>\$5 fee per transfer after the first three (3)</b>
<b>Overdraft Protection Flexline of Credit<sup>1, 2</sup></b>	<b>Subject to interest</b>
<b>Overdraft Privilege</b>	<b>\$30 Overdraft Fee per item presented, including representment</b>

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

**Overdraft Protection** services apply 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 fee or 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 in order 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.

Transactions Covered with Overdraft Privilege	Standard Coverage (No action required)	Extended Coverage (Your consent required on member accounts) *
Checks	X	X
ACH - Automatic Debits	X	X
Recurring Check Card Payments	X	X
Online Bill Pay Items	X	X
Teller Window Transactions	X	X
ATM Transactions		X*
Everyday Check Card Transactions		X*

**If you would like to select Extended Coverage for future transactions:**

- call us at 800.562.6049, option 5
- log in to Service1st@Home online banking, select “services” and “check card overdraft privilege” to opt in (for extended coverage only)
- complete the online consent form found at <https://www.service1.org/personal/checking/more/printable-forms-disclosures>
- or, visit any Service 1st branch.

\*If you choose Extended Coverage on your member account, **ATM withdrawals and everyday check card transactions** will be included with the transactions listed under Standard Coverage. If you already have Extended Overdraft Privilege 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 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](http://www.mymoney.gov).
- The \$30 Overdraft Fee 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 an NSF Fee of \$30. All fees and charges will be included as part of the Overdraft Privilege limit amount. Your account may become overdrawn in excess of the Overdraft Privilege limit amount as a result of a fee.
- For member accounts, there is no limit on the total Overdraft Fees per day we will charge.
- Recipients of federal or state benefits payments who do not wish for us to deduct the amount overdrawn and the Overdraft Fee from federal or state benefit payment funds that you deposit or that are deposited into your account may call us at 800.562.6049, option 5 to discontinue the Overdraft Privilege service.
- 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 will charge an NSF Fee 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 representation 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 representation 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 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 in order from smallest amount to largest. Holds on funds (described below) 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.
- Although under payment system rules, Service 1st may be obligated to pay some unauthorized debit card transactions, Service 1st will not authorize debit card or ATM transactions unless there are available funds (including Overdraft Coverage Options) to cover the transactions and any fee(s).
- Giving us your consent to pay everyday debit card and ATM overdrafts on your member account 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 and may also help you avoid overdrafts in excess of your available balance that could result in your debit card being suspended. If you consent to Extended Coverage on your account, it will remain on your account until it is otherwise withdrawn.
- Service 1st may suspend your debit card if you incur overdrafts in excess of the Available Balance in your account, including any Overdraft Privilege 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 Overdraft Privilege limit, is positive and then you contact us.

- Service 1st may also 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.
- Service 1st 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, 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).

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

- Service 1st authorizes and pays transactions using the Available Balance in your account.
- Service 1st may place a hold on deposited funds in accordance with our Membership Account Agreement, 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 Overdraft Privilege 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 Overdraft Privilege limit.
- For accounts with Extended Coverage, the Overdraft Privilege limit is included in the Available Balance for authorizing ATM and everyday check card transactions. If the funds in the Available Balance are not sufficient to cover a transaction, any available Overdraft Protection and/or the amount of the Overdraft Privilege limit may be used to authorize and pay a transaction.
- Please be aware that the Overdraft Privilege amount is not included in your Available Balance provided through online banking, mobile banking or Service 1st ATMs.
- Service 1st 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 in this letter, Service 1st will not pay items if your account does not contain available funds (including the Overdraft Privilege limit) to cover the item(s) and the amount of any fee(s).

#### **Understanding Overdraft Privilege Limits**

- An Overdraft Privilege limit of \$500 - \$750 will be granted to eligible consumer checking accounts.
- An Overdraft Privilege limit of \$750 will be granted to eligible business checking accounts.
- Overdraft Privilege may be reduced or discontinued 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 Overdraft Privilege reinstated.

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