

DISCRETIONARY OVERDRAFT PRIVILEGE POLICY

It is the policy of Security One Federal Credit Union (SOFCU) to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Membership and Account Agreement provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the Authorized Signatories and SOFCU with regard to your checking account. The Membership and Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Overdraft Privilege Policy and the Membership and Account Agreement. A copy of the Membership and Account Agreement is available to you on request.

Overdraft Privilege is not a line of credit. However, if you overdraw your account, we will normally pay the overdraft, subject to the limit of your Overdraft Privilege and the amount of the overdraft fee. SOFCU is not obligated to pay any item presented for payment if your account does not contain sufficient available funds, and any discretionary payment (or other negotiation or processing) by SOFCU of any non-sufficient fund check or checks (or other item) does not obligate SOFCU to pay any additional non-sufficient fund check or item or to provide prior notice of its decision to refuse to pay any additional non-sufficient fund check or item.

Pursuant to SOFCU's commitment to always provide you with the best level of account holder service, now and in the future, if you are 20 years and older, if your account has been open for at least sixty (60) days and thereafter you maintain your account in good standing, which includes at least:

- A) Depositing an amount equal to the amount of discretionary Overdraft Privilege extended to you or more in your account within each thirty (30) day period and bringing your account balance to a positive balance within every thirty (30) day period;
- B) You are not in default on any loan or other obligation to SOFCU and
- C) You have not declared bankruptcy and
- D) You are not subject to any legal or administrative order or levy.

SOFCU will normally pay overdrafts within the Overdraft Privilege limits, but payment by SOFCU is a discretionary courtesy and not a right or obligation. This privilege for consumer checking accounts will generally be limited to a maximum of \$500 overdraft (negative) balances. Of course, any and all fees and charges, including without limitation the non-sufficient funds fee of \$27, will be included as part of this maximum amount.

More than one overdraft fee may be charged against any account per day, depending on the number of withdrawals that are made. Transactions including ATM withdrawals, debit card transactions, preauthorized debits, telephone and electronic transfers may cause the fee to be imposed. Transactions are processed in the order that they are received rather than in the order that they occur.

The total of the discretionary Overdraft Privilege (negative) balance, including any and all fees and charges, including all non-sufficient funds/overdraft fees is due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Membership and Account Agreement.

Again, while SOFCU will typically pay overdrafts on accounts in good standing (as described above) payment is a discretionary courtesy, and not a right or obligation and SOFCU in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.