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## OVERDRAFT PRIVILEGE DISCLOSURES

### DISCRETIONARY OVERDRAFT PRIVILEGE POLICY

Last updated February 2018

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

The *Share Accounts Information and Disclosures* booklet 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 Hughes FCU with regard to your checking account. The *Share Accounts Information and Disclosures* booklet (and all agreements thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Overdraft Privilege Policy and the *Share Accounts Information and Disclosures* booklet. A copy of the *Share Accounts Information and Disclosures* booklet is available to you on request from Hughes Federal Credit Union.

Overdraft Privilege is not a line of credit or the same thing as Overdrawn Protection. Overdraft Privilege is for checks and other transactions made using your checking account number, ACH withdrawals, or automatic bill payments. With your Opt-in, Hughes FCU will also pay overdrafts for ATM and everyday debit card transactions on eligible Checking and Checking PLUS accounts only. Overdraft Privilege is not available for our Voice Response System, Health Savings Checking, Checking Restart, or withdrawals at the teller line. However, if you overdraw your account, we will have the discretion to pay the overdraft, subject to the limit of your Overdraft Privilege and the amount of the overdraft fee. Hughes FCU is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by Hughes FCU of an overdraft checking account does not obligate Hughes FCU to pay any additional non-sufficient funds check or item(s) or to provide prior notice of its decision to refuse to pay any additional non-sufficient funds check or item. If we do not authorize and pay an overdraft, your transaction will be declined.

Pursuant to Hughes FCU's commitment to always provide you with the best level of service, now and in the future, if you maintain your account in good standing, which includes at least:

- (1) Bringing your account balance to a positive balance within every thirty (30) day period for 24 hours;
- (2) You are not in default on any loan or other obligation to Hughes FCU; and,
- (3) You are not subject to any legal or administrative order or levy.

Hughes FCU will have the discretion to pay overdrafts within the Overdraft Privilege limits, but payment by Hughes FCU is a discretionary courtesy and not a right of the account holder or an obligation of Hughes FCU. This privilege for checking accounts will generally be limited to a maximum of \$600 overdraft (negative) balance for Checking and \$750 for Checking PLUS accounts. When a check(s) or ACH electronic item(s) are presented and the funds are not available in the checking account or the member's designated overdraft sources, Hughes FCU will honor the check(s) or items by bringing the checking account to a negative balance up to \$600 for Checking and \$750 for Checking PLUS including the non-sufficient funds fees. Examples of such ACH electronic items are prearranged bill payments, insurance premiums, or one-time electronic funds transfer from your checking account using the information from your check to pay a bill. Of course, any and all fees and charges, including without limitation the non-sufficient funds fees (as set forth in our *Rates & Fee Schedule* and *Share Accounts Information Disclosures* booklet), will be included as part of this maximum amount.

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 *Share Accounts Information and Disclosures* booklet and *Rates & Fees Schedule*.

Again, while Hughes FCU will have the discretion to pay overdrafts on accounts in good standing (as described above), any such payment is a discretionary courtesy, and not a right of the account holder or an obligation of Hughes FCU and Hughes FCU in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.