



OVERDRAFT PROTECTION OPTIONS

AppleFCU.org

P.O. Box 888, Fairfax, VA 22038-0888 703-788-4800

An overdraft occurs when you do not have enough money **available** in your account to cover a transaction, but we pay it anyway. We can cover overdrafts in three different ways:

1. We provide **Overdraft Savings Transfers** that are included at no additional cost with your checking account. To learn more, see below or ask us about this feature.
2. We offer a **Signature Line Of Credit** loan, which requires credit approval and may be less expensive than our fee-based overdraft program, Overdraft Privilege. To learn more, ask us about this plan or visit our Personal Loan page.
3. We also offer **Overdraft Privilege (ODP)**.

Under ODP, we may pay checks, Point-of-Sale (POS) Debit Card transactions, Automated Teller Machine (ATM) withdrawals, and Automated Clearing House (ACH) transactions presented against your checking account when you do not have enough money available in your account to cover the transaction(s). You must be at least 18 years of age and have deposited at least \$300 into your primary Apple Federal Credit Union ("Apple FCU") checking account in the current or previous month to qualify for the service. You also must have no delinquencies or legal orders against your Apple FCU accounts in order to qualify. Members may have both **Signature Line of Credit** and ODP on the same account. Members may enroll one primary checking account in ODP. The Second Checking account, Student Checking and any other personal checking accounts belonging to the same member are not eligible for ODP.

As part of its standard overdraft practices, Apple FCU may, in its discretion, authorize and pay checks, ACH and other transactions using your primary checking account number, as well as automated bill payments and recurring debit card charges. Apple FCU will not authorize and/or pay overdrafts for ATM transactions or one-time, non-recurring debit card charges **unless** the member first provides Apple FCU with his or her affirmative consent to Apple FCU's ODP for such transactions. If you want to authorize us to pay overdrafts on ATM transactions and one-time, non-recurring debit card charges under ODP, review this disclosure and the following form, "What You Need to Know about Overdrafts and Overdraft Fees", and call 703-788-4800 or 800-666-7996, visit **AppleFCU.org**, or complete the Overdraft Enrollment form within Online Banking or the Mobile App (*Account Tools* menu). You can present the form at a branch, fax it to 703-667-8712, or mail it to P.O. Box 1200, Fairfax, VA 22038-1200.

Standard Practices and Fees

1. We will charge a fee of \$29 each time we pay an overdraft.
2. You will be limited to four (4) overdraft (also referred to as NSF or Courtesy Pay) fees per day. Overdrafts in excess of four (4) per day will clear with no fee up to a total of negative available balance of \$1,000, as set forth below.
3. When you opt into ODP for ATM and one-time, non-recurring debit card charges, you must wait until the next business day to be able to overdraft the account on any such transactions.
4. Overdraft fees will only be charged on transactions that result in a negative available balance of at least -\$29.01 at the time such transactions post to the account.
5. Annual overdraft and NSF fees will be limited to \$4,000 per member. Overdrafts in excess of \$4,000 in a given calendar year will clear with no

fee up to a total negative available balance of \$1,000, as set forth below. For purposes of determining whether the \$4,000 Overdraft cap has been reached, the fee counter is reset to zero on January 1 each year.

6. ODP is limited and only available up to a maximum negative available balance of \$1,000. Your account may become overdrawn in excess of the \$1,000 limit due to fees. Up to \$29 in fees may be added to the \$1,000 limit. The \$1,000 limit includes the amount of overdrawn items, ODP fees, and any other transactions that result in overdrawing your account, such as returned deposits and other fees described in our Schedule of Fees.

Enrolling in ODP does not guarantee that we will pay overdrafts. Apple FCU pays overdrafts at our discretion. If we do not authorize and pay an overdraft, your transaction will be declined and/or your check/ACH will be returned, unpaid.

Overdraft Savings Transfers

If your checking account does not have sufficient funds to cover a check or ACH transaction, we will first attempt to pay the overdraft at no charge through Overdraft Savings Transfers from your linked savings account (your membership savings account) if you have previously enrolled, provided it has sufficient funds available, before using ODP. Through Overdraft Savings Transfers, we will only use funds from a linked savings account to pay a check or ACH overdraft transaction if there are sufficient funds available in the savings account to cover the full amount of the overdraft transaction. Overdraft Savings Transfers are subject to a transfer/withdrawal limit of six (6) per month. This transfer/withdrawal limit includes transfers by Apple FCU to cover overdrafts, your pre-authorized transfer requests, and your requests for transfers and withdrawals by telephone (including the Personal Automated Teller Service), through Apple FCU Online, through the Apple FCU Mobile App, or by fax. (See our Disclosures for more information about linked savings accounts and account transactions limits.)

Transaction Processing and ODP

If we do not cover your overdraft through Overdraft Savings Transfers and you do not have a Signature Line Of Credit, we may cover your overdraft through ODP, if you are enrolled in ODP. To determine whether a transaction may cause an overdraft, it is important to understand that your checking account has two kinds of balances: the Available Balance and the Current Balance.

- **The Available Balance** is the amount of funds in a member's checking account that is available for withdrawal or use at that moment. The Available Balance takes into account holds that are placed on funds in the member's account, pending transactions that have been authorized but may not yet have been processed (posted) such as debit card POS transactions, online transfers, ATM transactions, and pending deposits (subject to any applicable holds on funds), but does not include items such as checks that you have written but that have not yet cleared your account. You may check your Available Balance using Apple FCU's Online Banking portal or Mobile App.
- **The Current Balance** (or "ledger balance") is the balance of your account as stated on your end of the month account statements. It is calculated based on the order in which transactions actually post to your account and does not account for holds placed on funds in the member's account nor does it account for pending and/or authorized but not-yet-posted transactions.

Overdraft fees are assessed based on the account's **Available Balance**. If a member's Available Balance is negative (or rendered negative) in an amount in excess of \$29.00 when a transaction posts to the account, the account will be deemed overdrawn for purposes of overdraft fee assessment. Each transaction that posts to the account leaving a negative Available Balance in excess of \$29.00 is a separate overdraft, for which a fee may be assessed (subject to the previously described numerical and dollar value limitations on overdraft fees).

When you use your Apple FCU checking account (and any Debit Card associated with that account) to make a purchase, the transaction is authorized based on your Available Balance plus any Checking Overdraft option (ODP or Signature Line Of Credit) in which you have enrolled at the time of the purchase. Once a transaction is authorized, a temporary hold is placed on your account for the amount of the purchase; you will see this hold reflected in your Available Balance. This hold does not affect or otherwise adjust your Current Balance. This hold will be removed when the transaction posts to your account or after three (3) business days, whichever comes first. Although the hold may be removed after three (3) business days, the merchant has up to 180 calendar days to present the transaction for posting. In some cases, the hold may exceed or be less than the amount of the transaction; for example, holds imposed for some purchases made at gas stations, restaurants, or hotels, or for car rentals may be more or less than the final amount of the transaction that is presented for settlement by the merchant. Funds subject to a hold are not necessarily the same funds that are ultimately used to pay for a transaction. When the hold is removed, the funds will be added to the Available Balance in your account. If your account is overdrawn after the held funds are returned to the Available Balance and the transaction posts, an ODP fee may be assessed. Please note, however, that even though a transaction has been authorized, it still might result in an overdraft if you initiate other transactions that are processed before the earlier authorized transaction posts. So, do not consider a transaction authorization as a guarantee there will be sufficient funds in your account to cover the transaction when it posts.

Ordinarily, we will not authorize debit card transactions unless you have sufficient available funds in your checking account and available ODP amounts, if you are enrolled in ODP. However, we may pay some debit card transactions when you do not have sufficient available funds even if you did not opt into ODP for ATM transactions and one-time, non-recurring debit card transactions, if we had authorized the transaction in advance, or had placed a hold that differs from a transaction amount, as described in the previous paragraph. Therefore, opting into ODP for ATM transactions and one-time, non-recurring debit card transactions may result in your incurring ODP fees for some transactions that we would otherwise pay without assessing a fee.

The following is one example that illustrates how overdraft fees are assessed on an account that has ODP coverage for ATM and one-time, non-recurring debit card transactions:

Assume your Current and Available Balances are both \$100, and you use your debit card to make a \$70 purchase online. We will place a \$70 hold on your account once the purchase is authorized (but before the merchant settles the transaction), which will reduce your Available Balance to \$30 while your Current Balance remains at \$100. Before the merchant settles

the charge with us (i.e., before it posts to your account), you withdraw \$60 from an ATM. Your Available Balance will now be negative, and your checking account will be overdrawn by \$30.

If your checking account goes into an overdrawn status (including ODP fees) and funds are available in the linked savings account, we will transfer all or some of the funds from the savings account to the overdrawn checking account to reduce or eliminate the overdrawn amount, as permitted by law.

Tips to Control Costs for the ODP

1. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts.
2. Good account management is the best way to avoid overdrafts.
3. Electronic banking services at **AppleFCU.org** and using our App on your mobile device can help you keep track of your available balance.
4. Request a lower ODP limit (e.g., a maximum negative available balance limit for overdrafts of \$500, rather than the standard \$1,000 limit described above).

Restriction of ODP Privileges

ODP is not a loan or a line of credit and must be repaid promptly. Should the account remain overdrawn beyond 30 days of the initial transaction posting, ODP privileges will be revoked temporarily and the service frozen. For example, if you overdraft \$100 on the first of the month and \$200 on the 20th, then a total of \$300 is due on or before the 30th. The account must have a positive balance for a minimum of one (1) business day to allow the deposited funds to clear and reset the 30-day repayment cycle. If day 30 of the repayment cycle falls on a weekend or holiday, the account must have a positive balance as of the previous business day to be eligible for ODP reinstatement. Should the account remain overdrawn beyond 45 days, ODP privileges will be revoked permanently. The failure to deposit funds to bring the account to a positive balance may result in the overdrawn balance being charged off as a loss to Apple FCU. Such action could result in the checking account being closed and restriction of your membership privileges.

Once a member repays the ODP balance, ODP is available again the next business day for the checking account. For example, you pay back your ODP on Monday; it becomes available on Tuesday.

These are not the only circumstances under which ODP may be terminated, and Apple FCU reserves the right to revoke ODP privileges, permanently or temporarily, at any time and to deny the payment of any transactions without prior notification.

Canceling Your Enrollment in ODP

Members that have opted in to ODP for ATM and one-time, non-recurring debit card transactions have the right to revoke their consent by opting out of ODP for such transactions at any time through **AppleFCU.org** or by phone at 703-788-4800 or toll-free in the U.S., at 800-666-7996. If you prefer, you may also opt out at any branch location, by faxing requests to 703-667-8712, or by mailing the requests to: P.O. Box 1200, Fairfax, VA 22038-1200.