

DISCRETIONARY OVERDRAFT PRIVILEGE POLICY

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

The Account Agreement and Disclosure provided to members at the time you opened their account with Educators Credit Union controls the duties, obligations, and rights of the depositor, the authorized signatories, and Educators Credit Union with regard to your checking account. The Account Agreement -and all amendments thereto- and its terms shall control any possible conflict, if any, between any provision of this Discretionary Courtesy Overdraft Policy and the Account Agreement and Disclosure. A copy of the verbiage contained in the Account Agreement and Disclosure is available to members on request from any Educators Credit Union officer.

Educators Credit Union is not obligated to pay any item presented for payment if a member's account does not contain the sufficient available funds. Any discretionary payment (or other negotiation processing) by Educators Credit Union of any non-sufficient funds checks or other item does not obligate Educators Credit Union to pay or to provide notice of its decision to refuse to pay any additional non-sufficient fund check or item.

Pursuant to Educators Credit Union's commitment to provide its members with the best level of service, Educators Credit Union will consider, as a discretionary courtesy and not a right or obligation, approving reasonable overdrafts if the member's checking account has been open and maintained in good standing, which includes at least:

- A. Making regular deposits consistent with your past practices.**
- B. Bringing an account balance to a positive balance of \$0.00 or more by the close of a business day within every Thirty-four (34) day period.**
- C. The member is not in default on any loan or other obligation to Educators Credit Union and**
- D. You are not subject to any legal or administrative order or levy.**

Educators Credit Union will consider, as a discretionary courtesy and not a right or obligation, approving your reasonable overdrafts. This privilege for checking accounts will be limited to a maximum of \$730 overdraft (negative) balances. Of course, any and all fees and charges, including without limitation the non-sufficient funds fees, continuous overdraft fees and interest charges (as set forth in our fee schedules and Account Agreement and Disclosure), will be included. If an item is presented for payment that would place the account in a negative status over the \$700 limit, it may be returned for non-sufficient funds, and an additional fee may be charged. Educators Credit Union may also limit the number of eligible accounts to one per household and/or one account per tax identification number.

The total of the discretionary courtesy overdraft (negative) balance, including any and all fees and charges, including all non-sufficient funds/overdraft fees, continuous overdraft fees, and interest charges is due and payable upon demand, and the depositor and each authorized signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Account Agreement and Disclosure.

Again, approval of payment of reasonable overdrafts by Educators Credit Union on accounts in good standing (as described above) is only a discretionary courtesy, and not a right or obligation. It is within Educators Credit Union's sole and absolute discretion and can cease at any time without prior notice of reason or cause.

OVERDRAFT PRIVILEGE CHARGE-OFF POLICY

Educators Credit Union shall charge-off checking accounts when they reach the point of being overdrawn for 45 consecutive days. Any funds in a member's other non-IRA Educators Credit Union accounts may be applied prior to charge-off. All of the member's Educators Credit Union privileges will be terminated at the time of the charge-off (except receiving payments of his/her outstanding loans). Educators Credit Union will report any losses to the credit bureau(s) and/or other credit agencies. The member's accounts may also be turned over to collection agencies and/or attorney(s) for collection assistance before or after being charged-off.