



Discretionary Overdraft Protection Policy

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 Primary Owner, the Joint-Legal Owner(s) and Commonwealth with regard to your share draft 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 Overdraft Protection Policy and the Membership and Account Agreement. A copy of the Membership and Account Agreement is available to you upon request from a Commonwealth Central Credit Union branch, or by calling our Member Services Department at (800) 564-1588.

IMPORTANT INFORMATION REGARDING YOUR COMMONWEALTH CHECKING ACCOUNT WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

An overdraft occurs when you do not have enough money in your account to cover a transaction but it still gets paid. We can cover your overdrafts in two different ways:

1. We have Standard Overdraft Protection that comes with your account and links your account to a savings (or credit card) as an overdraft source.
2. We have Extended Overdraft Protection which allows you to overdraft your account for ATM transactions and one time debit card transactions.

This notice explains our standard overdraft practices.

What is Standard Overdraft Protection that comes with my account?

We can authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments

What fees will I be charged if Commonwealth pays my overdraft?

Under our Standard Overdraft Protection:

- We will charge you a fee of \$32 each time we pay an overdraft
- There is no limit on the total fees we can charge you for overdrawing your account

Standard Overdraft Protection (includes checks and ACH transactions)

Standard Overdraft Protection is not a line of credit. If you inadvertently overdraw your account after the date of account opening, we will have the discretion to pay the overdraft, subject to the limit of your overdraft available and the amount of the overdraft fee. Commonwealth is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by Commonwealth of an overdraft on a checking account does not obligate Commonwealth to pay any other checking account overdraft (or item), or to provide prior notice of its decision to refuse to pay such overdraft (or item).

Pursuant to Commonwealth's commitment to always provide you with the best level of service, now and in the future, if your personal account (primarily used for personal and household purposes) or your business account remains in good standing, Commonwealth will have the discretion to pay overdrafts within the overdraft limits, but payment by Commonwealth is a discretionary courtesy and not a right of the member or an obligation of Commonwealth. Maintaining an account in good standing includes at least:

- A) The account is brought to a positive balance within every thirty (30) day period for a minimum period of 24 hours;
- B) You are not in default on any loan or other obligation to Commonwealth Central Credit Union;
- C) The account is not in a dormant/inactive status;

- D) The account is not held by a minor under the age of 18, and
- E) None of your accounts are subject to any legal or administrative order or levy, including Bankruptcy status.

This privilege for consumer share draft accounts will generally be limited to a maximum of \$1000.00 overdraft (negative) balance. Any and all fees and charges, including without limitation the non-sufficient funds fee of \$32.00 per item (as set forth in our fee schedules and Membership and Account Agreement), will be included as part of this maximum amount.

The total of the discretionary overdraft (negative) balance, including any and all fees and charges, including all non-sufficient funds/overdraft fees is due and payable upon demand, and Primary Owner and each Joint-Legal Owner will continue to be liable, jointly and severally, for all such amounts, as described in the Membership Account Agreement and Disclosure with a maximum repayment period of 30 days. We may terminate your account at any time without notice to you or may require you to close your account and apply for a new one if there are excessive returned unpaid items not covered by an overdraft protection plan.

While CommonWealth 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 member or an obligation of CommonWealth and CommonWealth in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

We cannot authorize and pay overdrafts through Standard Overdraft Protection for the following types of transactions unless you opt-in to this service (Extended Overdraft Protection):

- ATM transactions
- Everyday debit card transactions

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined.

What if I want CommonWealth to authorize and pay overdrafts on my ATM and one time debit card transactions?

If you want us to authorize and pay overdrafts on ATM and one time debit card transactions simply call us or visit your local branch to opt-in to Extended Overdraft Protection.

How It Helps You

Opting in to this service will allow your ATM and one time debit card transactions to be paid when there are not enough funds available in your account—such as unexpected emergencies like a highway tow or medical expense can be embarrassing and expensive if you choose not to have this coverage on your account.

How Much Does It Cost?

- If you overdraw your account, you will pay a \$32 fee each time you use your debit card without sufficient funds in your account
- No fee to keep Extended Overdraft Protection on your account
- No fee if you never use it

If you choose not to have this coverage on your account, and there is not enough money available in your account to cover the purchase, your ATM and everyday debit card transactions will be declined.

Opt-In Extended Overdraft Protection (includes checks, ACH, ATM and debit transactions)

For ATM and one-time debit transactions, you must consent to CommonWealth's Extended Overdraft Protection in order for the transaction amount to be covered under the plan. Without your consent, CommonWealth may not authorize and pay an overdraft resulting from these types of transactions. If you choose to opt-out of Extended Overdraft Protection for ATM and one-time debit transactions, the above policy does not apply for those transactions as they will be declined.

Understanding Your Account Balance. Your checking account has two kinds of balances: the actual balance and the available balance. Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending. Your available balance is the amount of money in your account that is available for you to use. Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. We use your available balance to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn regardless of your actual balance. You should assume that any item which would overdraw your account based on your available balance may create an overdraft. You may check your available balance online at wealthcu.org, at an ATM, by visiting a credit union branch or by calling us at (800) 564-1588.

How Transactions are Posted to Your Account. Basically, there are two types of transactions that affect your account: Credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

Credits. Deposits are generally added to your account when we receive them. However, in some cases when you deposit a check, the full amount of the deposit may not be available to you at the time of deposit. For ACH Credits, transactions are posted throughout the day, however, the balances may not be available until the date provided to us by the originator.

Please refer to the Funds Availability Policy Disclosure provided at the time you opened your account for details regarding the timing and availability of funds from deposits.

Debits. There are several types of debit transactions. Common debit transactions are generally described below. Keep in mind that there are many ways transactions are presented for payment by merchants, and we are not necessarily in control of when transactions are received.

- **Checks.** When you write a check, it is processed through the Federal Reserve System. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments from low to high dollar value.
- **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions for your account are posted throughout the day in order of receipt.
- **PIN-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of sale. They are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment.
- **Signature-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed. The "authorization hold" will reduce your available balance by the amount authorized but will not affect your actual balance. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its payment processor. These payment requests are received in real time throughout the day and are

posted to your account when they are received.

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, a hold will be placed in an amount equal to the bill presented to you; but when the transaction posts, it will include any tip that you may have added to the bill. This may also be the case where you present your debit card for payment at gas stations, hotels and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

This is a general description of certain types of transactions. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law.

If you have any questions, please visit a Commonwealth branch or call us at (800) 564-1588.