

revolving line of credit account, which is available to members meeting certain credit requirements. If you are approved for an Overdraft Line of Credit, you will be provided with our Overdraft Protection Line of Credit Agreement, which contains the terms and conditions applicable to the Overdraft Line of Credit. With this plan, you authorize us to automatically advance the amount of your overdraft, in increments of \$100 or the available credit, whichever is less, from your Overdraft Line of Credit to cover your overdraft, up to your credit limit.

You must repay what you have borrowed in full or in minimum monthly payments (in addition to any late charges, finance charges and annual fees). We will not transfer more than the available credit (as of the end of the previous business day) on an Overdraft Line of Credit account, even if the amount of the overdraft is more than the available amount. For example, if the transaction amount that will cause your checking account to become overdrawn is \$75, we will automatically advance \$100 from your Overdraft Line of Credit, provided you have at least \$100 in available credit. If you do not have sufficient available credit, no funds will be advanced from the Overdraft Line of Credit.

(b) Once your applicable optional overdraft protection plans are exhausted, if you are eligible for the Courtesy Pay Service, your items will be paid up to the amount of your Courtesy Pay limit and a Courtesy Pay Fee will be charged to your checking account for each overdraft that is authorized and paid through the Courtesy Pay Service. If you are not eligible for, or have opted out of, the Courtesy Pay Service, your items will not be paid, they will be returned, and an NSF Fee will be charged for each time an item is presented for payment and returned unpaid due to an insufficient available balance. If we pay an item and it turns out you are not eligible for, or have opted out of, the Courtesy Pay Service, we will charge an Overdrawn Fee of \$29.

(c) The foregoing describes how our optional protection plans work. Transfers will appear on your periodic statements for each applicable account.

7. TERMINATION OF OPTIONAL OVERDRAFT PROTECTION PLANS

(a) We may terminate optional overdraft protection services at any time without prior notice to you. Any owner of the checking account, any owner of a linked account used for overdraft protection, or any borrower on an Overdraft Line of Credit account used for overdraft protection may cancel overdraft protection in person, by calling the Credit Union at (808) 534.4300 or toll-free at (800) 379.1300, or in writing. Cancellation will be effective after we have received notice and have had a reasonable time to act on it. For an Overdraft Line of Credit, if there is an outstanding balance due at the time of cancellation, you will be responsible for repayment until the outstanding balance is paid in full.

8. COURTESY PAY SERVICE AGREEMENT

(a) In accordance with our commitment to provide valued service and benefits, we may, at our discretion, pay your overdrafts that would cause your eligible checking account to have a negative balance up to the amount of your Courtesy Pay limit, which is determined by us in our sole and absolute discretion. We refer to this service as our Courtesy Pay Service (hereinafter referred to as the "Service"). The Service is different than the Overdraft Line of Credit and the Overdraft Transfer Service plans. The Service is a backup to your existing overdraft protection plans and will only be activated if funds are not available from those plans. This Courtesy Pay Service Agreement sets forth the terms and conditions applicable to the Service.

(b) **What Overdraft Transactions are Covered?** The Service is available for the payment of teller-initiated transactions, checks, preauthorized payments under our Bill Payment Service, telephone-initiated transactions, recurring debit card transactions, and ACH drafts and debits. The Service is not available for ATM withdrawals and one-time debit card transactions, unless you opt-in, as described in the next section below.

(c) **Optional Overdraft Transactions.** If you would like to include ATM transactions and one-time debit card transactions in the Service, you are required to "opt-in" (in other words, you must provide us with your affirmative consent). Choosing not to opt in may result in these transactions being declined if your available balance is insufficient to cover the transaction.

(d) You understand and agree that we do not require you to authorize the Service for your ATM transactions and one-time debit card transactions as a condition of us providing the Service to you for the other types of transactions subject to this Courtesy Pay Service

Agreement. If you want the Credit Union to authorize and pay overdrafts for ATM transactions and one-time debit card transactions, you must provide us with your consent by: (1) calling us at (808) 534.4300 or toll-free at (800) 379.1300; (2) visiting any branch and speaking with a Member Service Representative; (3) mailing an opt-in consent form to 1226 College Walk Honolulu HI 96817; or (4) completing an opt-in consent form via our online banking service.

(e) You may revoke your authorization to have us pay your ATM transactions and one-time debit card transactions at any time, using any method made available to you for providing consent as described above. Your decision to opt in does not guarantee that we will always pay your ATM transactions or one-time debit card transactions when your available balance is insufficient to cover the transaction.

(f) **Eligibility for the Service.** The Service is not a credit product and requires no application or credit approval process; it is a feature that is automatically included with eligible checking accounts (unless you opt out of the Service entirely as described below). Eligibility is at the sole discretion of the Credit Union and is based on you managing your checking account in a responsible manner. The Service is available for checking accounts for which the primary checking account owner is eighteen (18) years of age or older, is in good standing, and the checking account has been open for at least sixty (60) days with the applicable minimum balance requirement. We reserve the right to limit the Service to one (1) account per household or member. We may suspend or permanently revoke the Service from your checking account, in our sole and absolute discretion, based on any one or more of the following criteria:

- Your membership is not in good standing;
- You are more than fifteen (15) days past due or are in default in any other respect on any loan or other obligation to us;
- You have an outstanding balance due on an overdraft repayment plan;
- Your checking account is subject to any legal or administrative orders or levies;
- You are a party to a bankruptcy proceeding;
- Your checking account is classified as inactive;
- You have an unresolved prior loss with us;
- We do not have a valid mailing address for you; or
- We believe you are not managing your checking account in a responsible manner which may harm you or us.

(g) **The Service is a benefit. Any payment made by us under the Service will be made on a case-by-case basis, in our sole and absolute discretion. The Service does not constitute an actual or implied agreement between you and the Credit Union, nor does it constitute an actual or implied obligation of the Credit Union. The Service is a privilege that the Credit Union provides from time to time and which may be withdrawn or withheld by the Credit Union at any time, without prior notice, reason or cause.**

(h) **How the Service is Administered.** If you are eligible for the Service, we will generally pay your overdraft items up to a maximum of \$500, including fees. You acknowledge and agree that we reserve the right to limit the number of checks or other items/transactions that may be paid by us through the Service during any given month. In our sole discretion, we may notify you by mail, or, if you have agreed to receive notices from us in an electronic format, you may be notified electronically, of any nonsufficient funds checks, items or other transactions that have been paid or returned; however, we are not required to so notify you. You also acknowledge and agree that we have no obligation to notify you before we pay or return any check, item or other transaction. We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts.

(i) **When is the overdraft payment due?** The total of the overdraft (negative) balance in your checking account, including any and all fees and charges, is due and payable upon demand, and you are required to immediately deposit sufficient funds to cover the overdraft paid by us and pay the related fees.

(j) **Courtesy Pay Fees.** A Courtesy Pay Fee of \$29 will be charged to your checking account, in accordance with our Schedule of Fees and Charges, for each overdraft that

is authorized and paid through the Service. This means that more than one Courtesy Pay Fee may be assessed against your checking account per day depending upon the number of overdrafts authorized and paid through the Service. You understand that your Courtesy Pay Limit will be reduced by the amount of each overdraft paid by us through the Service and the amount of the related Courtesy Pay Fee imposed until such amounts are repaid by you as set forth herein at which time we may replenish your Courtesy Pay Limit by the amount of the repayment. If we choose not to pay the item/transaction under the Service, you are typically subject to a NSF Fee of \$29 for each such item in accordance with our Schedule of Fees and Charges each time an item is presented for payment and returned unpaid due to an insufficient available balance. Your periodic statement will itemize Courtesy Pay Fees and NSF Fees for each cycle, as well as the year-to-date total of fees.

(k) **Transfers to Cover Overdrafts.** You understand and agree that we have the right to transfer available funds to your checking account from any of your other account(s) with us (excluding IRAs), including account(s) upon which you are a joint owner, in an amount equal to the overdraft and related fees.

(l) **Right of Setoff.** In addition to any other rights that we may have, you agree that any deposits or future deposits in or other credits to any account in which you may now or in the future may have an interest are subject to our right of setoff for any liabilities, obligations or other amounts owed to us by you (e.g. overdrafts and any related fees and charges). Moreover, unless you opt out of the Service (see below), you consent and expressly agree that the application of setoff of funds in any account includes the setoff of government benefits (such as Social Security and other public benefit funds) deposited to the account from which the overdraft or related fees are paid to the maximum extent permitted by applicable state and federal law. Each person who causes an overdraft, which is paid by us, agrees to be individually and jointly obligated to repay the unpaid negative balance in accordance with the terms and conditions of this Courtesy Pay Service Agreement.

(m) **Default.** You will be in default under the terms of this Courtesy Pay Service Agreement if you fail to live up to any of the terms and conditions set forth herein or you are in default on any loan obligation with us and/or a negative balance exists in any other deposit account with us on which you are an owner. If you are in default, in addition to any other rights we may have, we may temporarily suspend Courtesy Pay, terminate the Service or close your checking account and demand immediate payment of the entire unpaid negative balance. You also agree to pay any collection costs, attorneys' fees and court costs that we may incur as a result of your default.

(n) **Termination; Suspension.** We may terminate or suspend the Service at any time without prior notice. In no event will any termination relieve you of your obligation to repay any negative account balance, overdraft fees, collection costs and attorneys' fees, if any. We can delay enforcing any of our rights under this Agreement without losing them.

(o) **Your Right to Opt Out of the Service.** If you prefer not to have the Service, you may complete our *Courtesy Pay Authorization Form* and check the box indicating that you are opting out of the Service entirely. A copy of this form is available to you in our branches, on our website at hawaii.usafcu.com, or by calling us at (808) 534.4300 or toll-free at (800) 379.1300 and requesting that we mail a form to you. You may also opt-out of the Service by calling us at (808) 534.4300 or toll-free at (800) 379.1300. If you opt out of the Service, you will still be charged our NSF Fee for each item returned.

(p) **Optional Overdraft Protection Plans.** As discussed in more detail above, we also offer optional overdraft protection plans, such as a link to another account you own at the Credit Union or an Overdraft Line of Credit account, which may be less expensive than our Courtesy Pay Service. To learn more, please ask us about these plans.

(q) **The best way to know how much money you have and avoid paying overdraft fees is to record and track all of your transactions closely.**

(r) **IF YOU DO NOT UNDERSTAND ANY PROVISION IN THIS OVERDRAFT PROTECTION AND COURTESY PAY SERVICE AGREEMENT, OR IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT (808) 534.4300 OR TOLL-FREE AT (800) 379.1300, MONDAY THROUGH FRIDAY, 8:00 AM TO 6:00 PM HAWAII STANDARD TIME, OR SATURDAY, 9:00 AM TO 1:00 PM HAWAII STANDARD TIME.**



Overdraft Protection and Courtesy Pay Service Agreement

In this Overdraft Protection and Courtesy Pay Service Agreement ("Agreement"), the words "you," "your" and "yours" mean each and all of those who use the Overdraft Protection and Courtesy Pay services described herein. The words "we," "us," "our" and "Credit Union" mean HawaiiUSA Federal Credit Union.

1. GENERAL

(a) The Credit Union offers two kinds of services that allow for payment of your transactions when your account's available balance (defined below) is insufficient to pay the transaction(s): (1) our optional overdraft protection plans, as described in the "Optional Overdraft Protection Plans" section below; and (2) our Courtesy Pay Service as described in the "Courtesy Pay Service Agreement" below. You can elect to opt-out of any of these services at any time, which may result in your transactions being declined for non-sufficient funds ("NSF") if the available balance in your account is insufficient to pay for your transaction.

(b) While we provide these services for your convenience and as a way to help you avoid NSF transactions and associated fees, you are responsible for keeping track of the funds in your account that are available for you to use before you write a check, make a cash withdrawal at an ATM, or use your debit card for a transaction. We recommend that you keep a running balance that reflects all of your transactions. It is imperative that you keep track of the transactions you have authorized (such as outstanding checks or automatic bill payments you have authorized), as your available balance (discussed in more detail below) will not reflect these transactions until they post to your account.

(c) "Overdrawing" your account means that there are not sufficient available funds in your account to pay for a transaction, but the transaction is paid under either an optional overdraft protection plan or the Courtesy Pay Service, which results in a negative "overdrawn" balance. Some transactions that can result in an overdraft in your checking account include, but are not limited to: (1) the payment of checks, electronic fund transfers, telephone-initiated transfers, preauthorized payments under our Bill Pay Service, ATM withdrawals, teller withdrawals, or other withdrawal requests authorized by you; (2) the return (unpaid) of items deposited by you; (3) the assessment of service charges by us; or (4) the deposit of items that are treated as not yet "available" according to our Funds Availability Policy as set forth in the Important Account Information For Our Members disclosure booklet.

2. PAYMENT OF OVERDRAFTS

(a) We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we pay a transaction that overdraws your account, we are not obligated to continue paying such transactions in the future. We may pay all, some, or none of your overdrafts, without notice to you. You are liable to us to repay any overdrafts on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for our costs of collection. We may close, without notice, any account with excessive NSF activity, and report the account to a consumer reporting agency.

(b) We assess a fee for each item that we either pay, which results in an overdraft, or do not pay, which would have resulted in an overdraft had we paid it. The fees that we may assess are as follows:

- If we pay an item under our Courtesy Pay Service and the payment of such item does not result in you exceeding your Courtesy Pay Service limit (described in more detail below), we will charge a Courtesy Pay Fee of \$29.
- If we pay an item under our Courtesy Pay Service and the payment of such items results in you exceeding your Courtesy Pay Service limit, we will still charge you a Courtesy Pay Fee, but it will appear on your periodic statement as an Overdrawn Fee of \$29.
- If we pay an item and you are not eligible for, or have opted out of, the Courtesy Pay Service, we will charge an Overdrawn Fee of \$29.

- If we return an item, we will charge an NSF Fee of \$29 each time an item is presented for payment and returned unpaid due to an insufficient available balance.

(c) Refer to the *Schedule of Fees and Charges* for a listing of fees, which is updated periodically.

(e) We recommend that you enroll in one of the optional overdraft protection plans described below. These plans can help you avoid overdrafts and returned items. While fees apply when you use an optional overdraft protection plan, the fees under the plan are less expensive than Courtesy Pay and NSF Fees. Refer to the “Optional Overdraft Protection Plans” section below for more information.

(f) **We May Return Items Unpaid.** We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we do not authorize and pay an overdraft, then we decline or return the transaction or item unpaid and charge a related NSF Fee as stated in our Schedule of Fees and Charges. You are responsible for ensuring that your account includes sufficient available funds to pay the transactions you initiate or authorize when they are processed for payment from your account, and you also acknowledge that the timing of when merchants or payees submit transactions to us for payment may vary. If your account does not have sufficient available funds when a transaction or item is presented to us for payment and, as a result, returned unpaid, the merchant or payee of your transaction or item may choose to resubmit the same transaction, and may do so multiple times; [this may also occur when you initiate transfers and payments through your Credit Union Online Banking or Bill Payment Services and your account lacks sufficient available funds at the time the transaction is scheduled to occur, as we may decline the transaction, charge a fee, and then resubmit the same transaction at a later time in an attempt to process your requested transaction]. In the event a transaction or item is resubmitted for payment at a time when your account lacks sufficient available funds to pay it and we decline it, we will charge a related NSF Fee each time that same transaction is returned unpaid.

3. YOUR CHECKING ACCOUNT BALANCE

(a) Your checking account has two kinds of balances: the actual balance and the available balance. Both can be checked when you review your account online, at a Credit Union-owned ATM, through automated telephone, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. This section explains actual and available balances and how they work.

(b) Your actual balance is the amount of money that is actually in your account at any given time, but not all funds included in the actual balance are considered available for transactions on your account. The actual balance is also referred to as your “Ledger Balance” on Credit Union ATM screens and your “Balance” in Online Banking, Mobile Banking and when you use our automated telephone banking system. Your actual balance reflects transactions that have posted to your account, but not transactions that have been authorized and are pending, while pending deposits that are subject to holds under our Funds Availability Policy will be reflected in the actual balance even though they are not yet “available.” While the term “actual” may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case. Your actual balance will not reflect any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted. For example, if you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance is \$50 but it does not reflect the pending check transaction. So at that point, you have an actual balance of \$50, but you have already spent \$40.

(c) Your available balance is the amount of money in your account that is available to you to use without incurring an overdraft fee. The available balance takes into account factors such as holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment in that amount (or even a different amount). Under this example, if the merchant requested preauthorization in the amount of \$20, we will place a “hold” on your account for \$20 (referred to as an “authorization hold”). Your actual balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because of the restaurant’s preauthorization request that resulted in an authorization hold on \$20 in your account. When the restaurant submits its bill for payment (which could be a few days later and for a different amount than the amount of the authorization hold), we will release the authorization hold, post the transaction to your

account, and your actual balance will be reduced by the amount of the posted transaction.

(d) We use your available balance at the time a transaction posts to determine whether your account is overdrawn and whether Courtesy Pay Fees will be assessed. Your account is considered overdrawn when the available balance in your account is negative (less than \$0). In making this determination, we check your available balance at two separate times—first, at the time a merchant authorization request is received, and second, when the transaction “settles” and posts to your account. If your available balance is insufficient to pay the transaction amount requested by a merchant, we will decline the request. If your available balance is sufficient to cover a merchant’s authorization request, the authorization request will be approved and an authorization hold will be placed on your account in the amount of the merchant’s authorization request. If the transaction later “settles” and posts to your account at a time when the available balance is insufficient to pay the posted transaction without causing the account to have a negative balance (less than \$0), we will charge a Courtesy Pay Fee on that transaction even though the available balance was sufficient to cover it at the time the transaction was authorized. The following example illustrates how this works:

Assume your actual and available balance are both \$50, and you use your debit card at a restaurant for \$20. If the restaurant requests preauthorization in the amount of \$20, an authorization hold is placed on \$20 in your account, so your available balance is only \$30. Your actual balance would remain \$50. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 clears. Because your available balance is only \$30 (due to the authorization hold of \$20), your account will be overdrawn by \$10, even though your actual balance is \$50. In this case, if we pay the \$40 check under the Courtesy Pay Service, we will charge you a Courtesy Pay Fee of \$29, which will be deducted from your account, further increasing the overdrawn amount. In addition, when the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount (which may be \$20 or even a different amount, for example, if you added a tip) to the restaurant. Because the amount of the restaurant charge exceeded your available balance at the time the restaurant charge “settled” (i.e., posted to your account), we will charge you a Courtesy Pay fee of \$29, even though the restaurant transaction was authorized and approved with a sufficient available balance.

(e) **YOU ACKNOWLEDGE THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE.** This is because we check your available balance at two separate times as explained above, in addition to the fact that your available balance may not reflect all your outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not yet been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and paid from your account.

(f) In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions, including but not limited to car rental transactions and international transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released. Refer to the section entitled “Authorization Holds for Debit Card Transactions” below for information about how authorization holds affect your available balance.

(g) Finally, your available balance may not reflect the most recent deposits to your account. Refer to our Funds Availability Policy for information regarding the availability for withdrawal of your deposits.

4. HOW TRANSACTIONS ARE POSTED TO YOUR ACCOUNT

(a) There are basically two types of transactions in your account: credits (adding funds to your account) or debits (subtracting funds from 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.

(b) **Credits.** Most deposits are credited to your account when we receive them. For some checks you deposit, only \$225 will be made available the next business day; the balance will be available three (3) business days later. There may be extended holds on checks over \$5,525. Thus, your available balance may not reflect the most recent

deposits to your account. For details on the availability for withdrawal of your deposits, refer to our Funds Availability Policy.

(c) **Debits.** There are several types of debit transactions. Each type of debit transaction is described generally below. Keep in mind that debits are most often presented for payment by merchants, and the Credit Union is not 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 lowest dollar amount to highest dollar amount.

- **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example, automatic bill pays you have signed up for. Each day, ACH transactions for your account are grouped together and paid in low to high dollar value. Credits are posted first, and then debits.

- **Point of Sale (POS) Debit Card Transactions.** These are transactions where you use your debit card and you enter your PIN number at the time of the sale (or in some cases, the merchant may not require you to enter your PIN at all). They are similar to ATM withdrawals because money is usually deducted from your account immediately at the time of the transaction. However, some POS transactions are not presented for payment immediately; it depends on the merchant.

- **Signature Debit Card Transactions.** These are transactions where you make a purchase with your debit card and you do not enter your PIN but you are instead asked to sign for the purchase (or in some cases, the merchant may not require you to sign for the purchase at all). As described above, in these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally place a temporary hold against the available funds in your account. Please refer to the section below entitled “Authorization Holds for Debit Card Transactions” for additional information regarding such holds. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received.

- **Online Banking Bill Payments.** You may use our Bill Payment Service through online banking. This service allows you to set up future automatic withdrawals to make payments for your various bills. These future payments are not reflected in your actual balance or available balance. These bill payments will be posted to your account on the day you have scheduled them.

(d) The foregoing is a general description of how certain types of transactions are posted. These practices may change and we reserve the right to pay items in any order we choose as permitted by law.

(e) **Relation Between Posting Order and Overdraft Fees.** On any given business day, if we receive more than one item for payment and if we determine there are sufficient funds to pay one or more but not all of the items, then the number of items paid and the overdraft and returned item fees assessed could be affected by the order that we choose to post those items. We may choose our processing and posting orders regardless of whether additional fees may result. You can avoid overdraft fees by making sure that your account always has sufficient available funds to cover all of your withdrawals and debits. You should also consider enrolling in one of our optional overdraft protection plans, described in detail below, as a possible way to avoid certain overdraft fees.

5. AUTHORIZATION HOLDS FOR DEBIT CARD TRANSACTIONS

(a) When you use your debit card to pay for goods or services, the merchant may seek preauthorization from us for the transaction. When we preauthorize the transaction, we commit to make the requested funds available when the transaction finally posts and as such, we generally place a temporary hold against some or all of the funds in the account linked to your debit card, based on the amount of the preauthorization request from the merchant. We refer to this temporary hold as an “authorization hold,” and the amount of the authorization hold will be subtracted from your available balance as authorization requests are received by us throughout each day. Until the transaction finally settles or we otherwise remove the hold (for example, we may remove the hold because it exceeds the time permitted, as discussed below, or we determine that it is unlikely to be processed),

the funds subject to the hold will not be available to you for other purposes. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received.

(b) The amount of an authorization hold may differ from the actual transaction amount because the actual transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, this can happen in connection with transactions where your debit card is swiped before your actual transaction amount is known, such as at a restaurant (where you may choose to add a tip to the transaction amount) or gas station. For these types of transactions, there may be no authorization hold, or the amount of the authorization hold may be different from the transaction amount. In some other cases we may not receive an authorization request from the merchant, and there will be no authorization hold reflected in your available balance. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

(c) We are permitted to place an authorization hold on your account for up to three (3) business days (or for up to thirty (30) business days for certain types of debit card transactions) from the time of the authorization, or until the transaction is paid from your account. However, if the transaction is not submitted for payment, we will release the authorization hold, which will increase your available balance until the transaction is submitted for payment by the merchant and finally posted to your account. If this happens, we must honor the prior authorization and will pay the transaction from your account.

6. OPTIONAL OVERDRAFT PROTECTION PLANS

(a) We offer two optional overdraft protection plans: (1) an Overdraft Transfer Service where funds from a linked account are used for overdraft protection, and (2) an Overdraft Line of Credit loan account where your line of credit is used for overdraft protection. If you qualify for these optional services, we will look first to these services for overdraft protection before applying our discretionary Courtesy Pay Service when your account is overdrawn. The Overdraft Transfer Service plan and an Overdraft Line of Credit may save you money on the total fees you pay us for overdraft protection.

- **Overdraft Transfer Service.** With this service, you authorize us to make transfers of available funds automatically from your linked account(s) to cover overdrafts in your checking account. You may link up to three (3) of your accounts to cover overdrafts, and one of those accounts can be an Overdraft Line of Credit. If you link more than one account, you will tell us the order in which transfers will be made. For example, if you request that we link your primary savings account, secondary savings account, and Overdraft Line of Credit to your checking account to cover overdrafts, you must also inform us as to which account you want us to transfer funds from first (e.g., transfer first from the primary savings, transfer second from the Overdraft Line of Credit, and last from the secondary savings account). You must request to enroll in the Overdraft Transfer Service.

Transfers from your linked account are made in increments of \$100 or the available balance, whichever is less. Pursuant to federal law, each transfer from a linked savings account is counted as one of the six (6) limited transactions you are allowed each month from your regular savings or money market account.

We will not transfer more than the available account balance in a linked account, even if the amount of the overdraft is more than the available amount. If you have linked more than one account, if the available balance in the first linked account is not enough to pay the transactions you have initiated on any day, we will transfer the available funds from the first linked account, then move to the next linked account and so on. The following example illustrates how this works: Assume you have linked a Primary Savings Account with an available balance of \$50 and a Money Market Account with an available balance of \$200, and you have requested that we transfer available funds first from the Primary Savings Account, and second from the Money Market Account. If the transaction amount that will cause your checking account to become overdrawn is \$150, we will transfer \$50 from your Savings Account first and then \$100 from your Money Market Account to cover the transaction.

- **Overdraft Line of Credit.** In addition to linking one or more savings accounts to your checking account, you may also choose to link an Overdraft Line of Credit to your checking account to cover overdrafts. An Overdraft Line of Credit is a