



Privilege Pay is a service we provide to our checking account members to cover inadvertent overdrafts. The service is subject to the eligibility criteria and other constraints as explained below.

- **You are NOT required to have this service on your account**-You may opt-out at any time.
- **The payment of overdrafts is not guaranteed**-With Overdraft Privilege we will generally pay your overdraft items up to \$500, however, whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts. We pay items based on the available balance in your account. The available balance is your ledger balance minus any holds.
- **You will be charged an overdraft fee for each insufficient item paid into overdraft**-You will be charged our normal overdraft or return item fee, currently \$28.00 for each item that is presented. When more than one overdraft item is presented and paid, multiple overdraft fees may be charged. Both the amount of the overdraft items and all other fees, including but not limited to overdraft fees, are included in this limit.
- **Suspension of Overdraft Privilege**- If you overdraw your account, you must return the account to a positive balance within 30 days, or your Privilege Pay will be suspended. Your Privilege Pay may be suspended if you fail to meet our eligibility criteria and if we believe you are not managing your account in a responsible manner which may harm you or the Credit Union.
- **Deposits to Overdrawn Accounts** - All deposits to overdrawn accounts are applied to the negative balance.
- **Closing of Overdrawn Accounts**-Checking accounts that remain overdrawn for 45 consecutive calendar days will be closed and charged off.
- **Excessive Use** – Privilege Pay is not designed to be used as a permanent solution for financial needs. The Credit Union monitors accounts for excessive use and we may remove Privilege Pay if we believe you are not managing your account in a responsible manner which may harm you or the Credit Union.

Overdraft Protection Options. There are other overdraft protection options available to you which may be less costly-please contact a Member Service Representative for applicable terms and conditions:

Product/Service	Description	Cost
<i>Transfer from another account</i>	If you have other accounts with us, you can authorize us in advance to transfer the funds needed to cover overdrafts	(\$5.00) per transfer
<i>Overdraft Line of Credit</i>	This product requires you to complete an application and approval and Annual Percentage Rate (APR) are based on your credit worthiness.	APR and (\$1.00 per transfer)

Eligibility Criteria - No application is required; eligibility is at the discretion of the Credit Union. You may not be granted Overdraft Privilege if:

- Your account has been open for less than 60 days
- Your account type is not eligible
- You are more than 30 days past due on any Credit Union loan or delinquent on any other obligation to the Credit Union
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding
- You have an outstanding Overdraft Repayment Plan balance
- Your account is being reviewed for fraudulent activity
- The primary account owner is less than 18 years old
- A ChexSystems or other negative indicator has been reported to us
- Your account is classified as inactive
- You have an unresolved prior loss with the Credit Union
- We do not have a valid address for you

Transactions Eligible for Overdraft Privilege Coverage:

- Checks
- Internet banking
- ATM *
- ACH transactions
- Preauthorized automatic transfers
- Everyday Debit Card*
- Telephone banking

***ATM/Everyday Debit Card Transactions** - Privilege Pay will only be available for ATM and everyday debit card transactions if you authorize the Credit Union to pay those transaction types (see ATM/Debit Card Consent Form). If you authorized Privilege Pay for ATM transactions, please verify your available balance before initiating an ATM withdrawal. Your available balance is your actual balance minus any holds.

Privilege Pay Opt Out - If you do not want to have Privilege Pay, simply contact us and we will provide you an opt out form to remove this benefit from your account. If you opt-out, you may still be charged our \$28.00 returned item fee. Members who receive Social Security, federal direct deposit or any other entitlement benefit must opt-out if they do not want the Credit Union to apply those funds to pay an overdraft.

Payment Order of Items – Items presented for payment may not be processed in the same order as they were received and that order may affect the total fees assessed to your account. Generally the first items that we pay are ATM withdrawals, debit card transactions, and any checks cashed by our employees or that you have written to us. We then pay any items that were submitted electronically, such as ACH items, preauthorized automatic transfers, telephone-initiated transfers and any other electronic transfers. Finally, we pay the remaining items base on presentment sequence.

NOTE: Holds placed on your available account balance for pending debit card/electronic transactions, including gasoline, hotel/rental car deposits, etc, may reduce your available balance and cause your account to become overdrawn. **Your available balance is your actual balance minus any holds.**

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 authorize 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 an 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 an 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 www.memorialcu.org, at an ATM, by visiting a credit union branch or by calling us at (713) 778-6300.

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. Please refer to the Funs 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

cash 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 in the order contained in the data file.

ACH Payments. We receive data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payment 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.

Financial Education – The Credit Union believes that financial literacy and education helps consumers make informed decisions. Awareness of personal financial responsibility allows consumers to realize the benefits of responsible money management, understand the credit process and the availability of help if problems occur. www.MyMoney.gov is the federal government's website for federal financial literacy and education programs, grants and other information.

Checking Account Agreement - Your account agreement describes the duties, obligations, and rights of depositors, authorized signatories and the Credit Union with regard to your deposit accounts. That account agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. Your account agreement and this disclosure shall be construed so as to minimize conflicts between them.

Waiver: The Credit Union's forbearance from, or delay in, exercising any of the Credit Union's rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this Privilege Pay disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Credit Union's rights, remedies or privileges.

Remedy: You and the Credit Union agree that the exclusive remedy and forum for all disputes arising out of the Privilege Pay or your or Credit Union's performance there under, except for matters you or Credit Union take to small claims court, is arbitration by an independent arbitrator pursuant to the applicable rules of the American Arbitration Association, except as prohibited by law.

Effective Date- All information listed in this disclosure is effective October 15, 2018.