

## **MID-ILLINI CREDIT UNION**

### **Discretionary Overdraft Privilege Policy**

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

The Member's Account Agreement controls the duties, obligations and rights of the member, the Authorized Signatories, and the Credit Union with regard to your share checking account. The Member's Account Agreement is incorporated herein for all purposes as if it were set forth verbatim, and its terms shall control any possible conflict, between any provision of the Overdraft Privilege Statement and the Member's Account Agreement. A copy of the Member's Account agreement and disclosure is available to you on request.

Overdraft Privilege is not a line of credit. However, if you overdraw your account, we will normally pay the overdraft, subject to the limit of your overdraft privilege and the amount of the fee. The Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient collected (available) funds, and any discretionary courtesy payment by the Credit Union or any non-sufficient fund check or checks (or other items) does not obligate it to pay any additional non-sufficient fund check or item or to provide prior written notice of its decision to refuse to pay any additional non-sufficient fund check or item.

Items may consist of checks cashed at the Credit Union, checks presented for payment, VISA debit card purchases, pre-authorized automatic debits (ACH), On-line Bill Payments, telephone-initiated transfers, or other electronic transfers.

Pursuant to the Credit Union's commitment to always provide excellent customer service, if your personal account (primarily used for personal and household purposes) has been opened for at least thirty (30) days, or if your business account has been opened for at least sixty (60) days and thereafter is considered in good standing, the Credit Union will consider, as a discretionary courtesy and not a right or obligation, approving your reasonable overdrafts when your account is in good standing, which includes at least:

- Making regular deposits consistent with your past practices
- Not being in default on any loan obligation to the Credit Union
- Member has met qualifications for a checking account
- Member has satisfied the minimum waiting period of 30 days
- Member is at least 18 years old
- Account is not classified as dormant and has a current mailing address

*Members in good standing are defined as those making deposits sufficient to cover transactions and bringing their accounts current at least once every 30 days; those not having caused the credit union a loss and; those with no legal orders against their account.*

This courtesy for consumer and business checking accounts will generally be limited to a maximum of \$500 overdraft (negative) balances. Of course, any and all fees and charges, including without limitation, the non-sufficient fund fees will be included as part of this maximum amount. Mid Illini Credit Union's non-sufficient fee is \$25 per item presented.

For our consumer members Mid-Illini will not pay overdrafts for everyday debit card transactions after August 15, 2010 unless Mid-Illini has provided you with the notice required by section 205.17(b) of Regulation E and you have opted in to the payment of these overdrafts. In order to avoid overdrafts due to everyday debit card transactions, Mid-Illini Credit Union will place a hold on your account for everyday debit card transaction authorized until the transaction settles. The amount of the hold will be for the amount authorized, or as permitted under applicable payment network rules.

In addition, for both consumer and commercial accounts, you may opt out of the Overdraft Privilege services for check, ACH and debit card bill payment transactions at any time by contacting one of our Member Services Representatives.

Upon each occurrence of an overdraft, Mid-Illini Credit Union will immediately notify the account holder by mail of the negative balance of the account and all fees assessed. The Overdraft Privilege Administrator will utilize periodic mail and/or telephone contact with the account holder in order to bring the account to a positive balance. All accounts that remain in a negative status will be charged off by the 60<sup>th</sup> day or sooner if deemed to be uncollectible or longer if deemed collectible in a reasonable amount of time.

Transactions may not be processed in the order in which they occurred and the order in which they are paid may affect the total of overdraft fees. Generally, the Credit Union may limit this courtesy to only one account per household.

Again, approval of reasonable overdrafts by the Credit Union on personal accounts in good standing (as described above) is only a courtesy, and not a right or obligation and is within the Credit Union's sole and absolute discretion, and can cease at any time without prior written notice or reason or cause. Credit agencies may be notified if overdrafts are not paid as agreed.