

HORIZON CREDIT UNION OVERDRAFT PROGRAM DISCLOSURE

These disclosures apply to “overdrafts” related to your checking deposit account(s) (“Account”) at Horizon. An “overdraft” occurs when you take out more money from your account than you put into your Account, and which results in a negative balance.

Horizon offers four different ways to pay negative balances in your account (overdrafts) called the **Overdraft Privilege Program**.

Overdraft Privilege Program Overview

1. **Overdraft Protection Services** is available on all Account transactions, by your choice, and may help prevent any overdrafts by automatically transferring funds to your Account from another Horizon Account for a flat fee per “Item(s)” (checks, debits or credits to your account) (See Overdraft transfer fees on the Common Fee Schedule available at hzcu.org). You can choose to have funds transferred from another Horizon Account, credit card or line of credit. Transfers from another account or line of credit also have an associated fee. (See Overdraft transfer fees on the Common Fee Schedule available at hzcu.org.) A link to another Account or a cash advance may be a less expensive option than using **Standard Overdraft Privilege or Extended Overdraft Privilege**. If you intend to use **Overdraft Protection Services** remember a single, larger overdraft will result in just one fee, as opposed to multiple, smaller overdrafts which will result in multiple fees.
2. **Standard Overdraft Privilege** comes standard with your Horizon **checking account**. Standard Overdraft Privilege covers checks, ACH, recurring debit card transactions, online bill pay Items, online banking transfers, telephone banking and teller window transactions by paying these Items up to your Overdraft limit of \$800 for consumer Accounts and \$1500 on business Accounts with “Applicable Fees” (See Overdraft transfer fees on the Common Fee Schedule available at hzcu.org). Standard Overdraft Privilege does not apply to ATM and everyday debit card transactions (one time debit card use as opposed to authorized recurring debit card use). You may opt out of the **Standard Overdraft Privilege** at any time, but you are responsible for any overdraft balances and overdraft fees at the time of opting out.
3. **Extended Overdraft Privilege for Consumer Accounts** is an optional service designed to help guard against having Items returned or declined due to an overdraft. It allows Horizon to cover **ATM and everyday debit card transactions** by overdrawing the account up to \$800 on consumer accounts, plus Applicable Fees. Even if you participate in the Overdraft Protection Services, Extended Overdraft Privilege for Consumer Accounts is still available as a secondary coverage but will only cover ATM and everyday debit card transactions. If you would like to add Extended Overdraft Privilege to your personal Account (non-business) (opt in) or would like to remove this coverage from your Account (opt out), you must request it. You may opt out of the Extended Overdraft Privilege at any time, but you are responsible for any overdraft balances and overdraft fees at the time of opting out.
4. **Extended Overdraft Privilege for Business Accounts**. ATM and everyday debit transactions are automatically covered by Extended Overdraft Privilege for Business Accounts up to \$1500 with Applicable Fees.

Please be aware that the Overdraft Privilege Program negative balance amounts are not included in your “available balance” and will not be provided through online banking, mobile banking or Horizon’s ATMs. The Overdraft Privilege Program is not a line of credit; it is a discretionary overdraft service that can be suspended by Horizon at any time without prior notice.

Understanding Your Overdraft Privilege Program - The Details

To ensure you fully understand Horizon’s **Overdraft Privilege Program** it is important that we tell you what “available balance” means because your “**available balance**” is used to determine overdraft fees. Your “available balance” means the money balance in your Account at any given time less your transactions that may not have reached Horizon’s computer system, such as checks you have written, ATM transactions, debit card transactions or deposits to your Account. While most ATM transactions and pending debit card transactions should be reflected immediately to your Account, checks may take some time to reach Horizon to reduce your “available balance”. In other words, your “available balance” is constantly changing depending on your level of Account activity. Asking “What is my balance?” and getting answers about your “available balance” may not tell you the entire story of your Account balance. You may have written a check an hour before you checked your Account balance, and this use will not yet be showing at Horizon, but your available balance may in fact be less than showing on Horizon computers.

Horizon authorizes and pays deposit account transactions using the “available balance” in your Account. We may additionally place a hold on deposited funds in accordance with our Funds Availability Policy (you may review the Funds Availability Policy in the document “Understanding Your Account”, under “Account Disclosures” on the website, that contains the terms and conditions of your Account at Horizon and as a part of these Overdraft Disclosures) which will reduce the amount in your available balance.

Because overdraft fees depend on a positive available balance, several events can cause an insufficient (negative) available balance, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests, (2) payments authorized by you, (3) the return of unpaid “Item(s)” deposited by you, (4) credit union service charges, or (5) the deposit of Items which according to the Funds Availability Policy, are treated as not yet available or finally paid. With these events in mind, here is an example of how Horizon’s overdraft policy may work to cause multiple overdraft fees to be assessed:

The “Breakfast Example”: You start the day with a current balance and available \$40 Account balance. You visit a local coffee shop and buy six \$6 lattes, for a total of \$36.00 with your debit card and Horizon **authorizes the** debit card transaction. In other words, Horizon puts aside \$36.00 to pay the coffee shop. Your Horizon available balance is now \$4.00 and your current balance showing on Horizon computers is \$40.00. You next visit your favorite breakfast place and purchase a breakfast sandwich for \$10.00 and hash browns for \$4.00, for a total of \$14.00. Again, you pay with your debit card. You now still retain a current balance of \$40.00. But your available balance decreased to a negative \$10.00, which places your Account in **overdraft status**. Three days later when Horizon sends the coffee shop its set aside \$36.00 you will not be charged an overdraft fee on the first coffee shop debit card use because at the time of purchase, you had a positive available balance in your account. Later in the evening you return to your coffee shop for a late night \$10 cappuccino and again, because you overdrafted your Account at the breakfast place and your available balance is negative, Horizon charges you another \$29.00 overdraft fee for your \$10 cappuccino.

When you review your online activity, you **may** see the term “Current Balance”, as well as the term “Available Balance”. Your “Current Balance” is just showing you what is in your Account, which may not include any additions for ATM deposits or deductions for ATM withdrawal transactions, pending debit card transactions or outstanding checks. Some people find this “Current Balance” useful, some people do not but we offer the “Current Balance” to you as a convenience. Your online “Available Balance” states that it includes (1) ATM transactions (checks that have

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been deposited may have a hold placed per our Funds Availability Policy) and (2) pending debit card transactions but may not include all (3) outstanding checks that have not reached Horizon. But for overdraft fee purposes all three may drive your Account into overdraft status and reduce your available balance.

There is no way at any given point in time that Horizon can accurately state your available balance, mostly because of ATM transactions, pending debit card transactions and checks that might not have reached Horizon. But the overdraft fee and status calculation are always based on the available balance showing on Horizon computers and online.

Horizon is not obligated to pay any Item presented for payment if your account does not contain a sufficient (positive) available balance to cover that Item. Deposit of Items placed on hold according to our Funds Availability Policy are treated as not yet available. **You are responsible for verifying your available balance based on Horizon's records and what you know personally.**

If the available balance is not sufficient to cover a transaction, any available Overdraft Privilege Program may be used to authorize and pay the Account transaction.

If you have any questions about the overdraft options Horizon offers, please call us at 800.852.5316 or visit your local branch.

Overdraft Privilege Program Fees

Giving us your consent (opt in) to pay everyday debit card and ATM overdrafts on your consumer account may result in you incurring overdraft fees for transactions that we would otherwise be required to pay without assessing an overdraft fee. However, this would allow us to authorize transactions up to the amount of your Extended Overdraft Privilege limit and may also help you avoid overdrafts in excess of your limit that could result in suspension of your debit card. If you consent to Extended Overdraft Privilege on your consumer Account, it will remain on your Account until it is otherwise withdrawn.

The \$29 overdraft fee is the same fee amount that is charged if a check is returned as unpaid (non-sufficient funds). If multiple Items overdraw your Account on the same day, each Item will be assessed an appropriate overdraft fee or a return fee of \$29. The overdraft fee will be charged each time an Item is presented and there are not enough of an available balance in your Account to cover the Item.

All fees and charges will be included as part of the Extended Overdraft Privilege limit amount (\$800 for consumer; \$1,500 for business). Your Account may become overdrawn in excess of the Extended Overdraft Privilege limit amount as a result of a fee.

Horizon limits the Amount of overdraft fees charged to your account to seven per day (\$203) and will not charge an overdraft fee if the current balance is overdrawn by \$9.99 or less. This is the only instance in which Horizon uses the "current balance", as shown on your online account. Again, your "Current Balance" is just showing you what is in your Account, which may not include any additions for ATM deposits or deductions for ATM withdrawal transactions, pending debit card transactions or outstanding checks.

General Overdraft Policies, Debit Cards and Advice

Horizon's Overdraft Privilege Program is not intended to encourage the overdraft of your Account. To avoid fees, we encourage you to keep track of your Account's

available balance. Good account management is the best way to avoid overdrafts and associated fees. To keep track of your available balance Horizon recommends using our mobile banking, online banking, telephone banking services and what you know from personal knowledge about your use of your Account. For additional financial education resources please visit or www.mymoney.gov.

- Our general policy is to process Items throughout the day. Checks, drafts, Items and other transactions may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, draft or Item and execute other transactions on your account in any order. Holds on funds (described below) and the order in which transactions are posted may impact the total amount of your available balance, overdraft fees or return fees assessed.
- Horizon Credit Union will place a hold on your Account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules, which reduce your available balance. In some cases, the hold may exceed the amount of the transaction. When the hold ends, the funds will be added to the available balance in your Account. If your Account is overdrawn after authorized and set aside funds are posted to the available balance (a reduction of your available balance), an overdraft fee may be assessed.
- Horizon Credit Union will not authorize debit card or ATM transactions unless there are available funds to cover the transactions and any fee(s) and you have opted into the Extended Overdraft Privilege for Consumer Accounts. To "authorize" means to set aside to await a later settlement.
- Horizon Credit Union may suspend your debit card if you incur overdrafts in excess of the available balance in your account, including any Extended Overdraft Privilege limit. Debit cards on your account will remain suspended until you make sufficient deposits so that your available balance is positive.

Horizon Credit Union may also suspend your debit card if your Account is overdrawn more than thirty-two (32) consecutive calendar days. Debit cards on your account will remain suspended until you make sufficient deposits so that your account balance becomes positive.

- Horizon Credit Union may also suspend your debit card if we are unable to contact you due to an incorrect mailing address or phone number(s). You must contact us with your correct mailing address and/or phone number(s) to have your debit card enabled.
- If your debit card is suspended you will be unable to use your debit card for purchases or to access your Account at the ATM; and if you use your debit card for recurring payments, e.g., utilities, you are responsible to make other arrangements for your recurring debit payment(s).
- Your Overdraft Privilege Program may be discontinued if you default on any loan or other obligation to us, your Account becomes subject to any legal or administrative order or levy, or if you fail to maintain your Account in good standing by not bringing your Account to a positive balance within thirty-two (32) days for a minimum of one business day. You must bring your Account balance positive for at least one business Day to have Overdraft Privilege reinstated and reinstatement is at the discretion of Horizon.
- If fraudulent activity or breach of membership agreement is detected, we reserve the right to revoke your Overdraft Privilege Program.



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- Depositor and each authorized signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the "Understanding Your Account" disclosures. The total (negative) balance, including all fees and charges is due and payable upon demand.

If you have questions about Overdraft Protection or Overdraft Privilege or about other options to cover overdrafts, please contact us at 800.852.5316 or visit your local branch.

FUNDS AVAILABILITY POLICY

SUMMARY OF FUNDS AVAILABILITY POLICY

For savings accounts, we reserve the right to place reasonable holds on deposited funds to the extent permitted by law. For checking accounts, our general policy is to make funds from your deposits available to you on the same business day after the day that we receive your deposit. At that time, you can withdraw the funds in cash and/or we will use the funds to pay checks that you have written. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

DEFINITION OF BUSINESS DAY

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a non-business day, we will consider that the deposit was made on the next business day we are open.

DEPOSIT AT AUTOMATED TELLER MACHINES

Funds from any deposits (cash or check) made at automated teller machines (ATMs) we do not own or operate may not be available until the fifth business day after the day of your deposit. This rule does not apply at ATMs that we own or operate. If you make a deposit at an ATM before the close of business on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit at an ATM on a day we are not open, we will consider that the deposit was made on the next business day we are open.

TYPES OF CHECK

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

LONGER DELAYS MAY APPLY

In some cases, we will not make all of the funds that you deposit by check available to you on the same day we receive your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first \$225 of your deposits will be available on the same day we receive your deposit. If we are not going to make all of the funds from your deposit available on the same day we receive your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new account holder, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, travelers, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a deposit slip). The excess over \$5,525 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than the U.S. Treasury Check) is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the 9th business day after the date of your deposit.