

Managing Your Checking Account

What is an Overdraft

An overdraft occurs when you don't have enough money in your account to cover a transaction, but we pay the transaction anyway. You can overdraw your account through checks, ATM transactions, debit card purchases, and automatic bill payments.

How to Avoid Overdrafts

1. Track your spending.

- Online and Mobile Banking: Check your Available Balance before making a purchase. This is the amount of funds available for transactions (withdrawals, write checks, debit transactions, online banking or other authorized transactions).
- Text or Email Alerts: Sign up for Low Balance Alerts so you know when you're at risk of overdrawing your account.

2. Keep a buffer in your checking account to cover the unexpected.

3. Transfer to a credit card.

4. Transfer to a savings account.

5. Enroll in No Bounce Courtesy Pay.

Overdraft Protection Options

Family Trust offers an optional overdraft protection coverage called "No Bounce Courtesy Pay." Overdrafts can also be covered through a transfer of funds from a linked savings account or credit card. Review all options before signing up for these optional services. Enroll by phone 803-367-4100 or at any local branch.

	Overdraft Protection from Savings or Credit Card	No Bounce Courtesy Pay
Overview	Funds will automatically transfer from your savings or credit card to cover overdrafts when there isn't enough in your checking.	We will pay your overdraft(s) up to \$600 when there isn't enough in your checking.
Types of overdrafts covered	<ul style="list-style-type: none">• Checks• ACH transactions (such as preauthorized automatic transfers)• Online bill payments• Debit card transactions• ATM transactions	<ul style="list-style-type: none">• Checks• ACH transactions (such as preauthorized automatic transfers)• Online bill payments,• Debit card transactions• ATM transactions.
Fees	<ul style="list-style-type: none">• \$3.00 fee to transfer from a savings account.• No fee for a credit card transfer, however interest will accrue from the day of the transfer.	<ul style="list-style-type: none">• \$32.00 fee each time No Bounce Courtesy Pay is used, with a maximum of 5 per business day.• No fee for overdrawn transactions under \$5.00.

How Overdraft Protection Works

Overdraft Example: You have \$100 in your checking account and buy groceries with your debit card for \$200. The transaction will be handled differently depending on the overdraft protection options you signed up for.

Overdraft Example	No Overdraft Protection	Transfer from Savings Account	Transfer from Credit Card	No Bounce Courtesy Pay (ATM and Debit)	No Bounce Courtesy Pay (Check and ACH)	Link from Savings Account & No Bounce Courtesy Pay (ATM, Debit and Check, ACH)
Checking Available Balance	\$100	\$100	\$100	\$100	\$100	\$100
Savings Available Balance	N/A	\$200	N/A	N/A	N/A	\$500
Debit Card Transaction	\$200 DECLINED	\$200 APPROVED	\$200 APPROVED	\$200 APPROVED	N/A Because this is a debit transaction.	\$200 APPROVED
Cost	No Fee. Transaction declined.	\$3.00 Fee to transfer the \$100 to cover transaction.	No fee per transaction. Pay the interest for the amount borrowed.	\$32.00 Overdraft Fee. No overdraft fee if the resulting overdrawn transaction is less than \$5.	N/A Because this is a debit transaction example.	\$3.00 Fee to transfer the \$100 to cover the transaction.
Resulting Checking Available Balance	\$100	\$0	\$0	-\$132	N/A	\$0
Resulting Savings Available Balance	N/A	\$97	N/A	N/A	N/A	\$97

Overdraft Protection Disclosure

Overview of Overdraft Protection Service: Overdraft Protection is a service which provides protection for your checking account. The service may be used to cover your eligible items when your available balance is insufficient. You should use your checking account responsibly and not intentionally overdraw your account; however, we realize that financial shortfalls happen and we offer overdraft protection services to ensure your eligible items are paid. Overdraft Protection service is not a loan and is not subject to interest charges or late fees, however, items paid are subject to fees. Please read this entire disclosure to understand this service, including how items are paid and how fees are assessed. The Credit Union may change the terms of this program or revoke the Protection at any time without notice.

you borrow rather than a per-transaction fee. Visit a branch or call 1-800-367-4100 for more information or to set this up.

Overdraft Transfer from Savings: If you have other savings accounts (Primary Savings, Special Savings, or PayBack Savings) with Family Trust, you can authorize us to set up an automatic transfer to move the funds needed to cover your overdraft. This service has a \$3.00 fee per transfer. Visit a branch, or call 1-800-367-4100 for more information or to set this up.

Overdraft Service: “No Bounce Courtesy Pay”

Fees for Using this Service:

Service	Cost
Overdraft Protection Transfer from your Savings Account(s)	\$3.00 per credit union initiated transfer.
Overdraft Protection Transfer from your Visa credit card	Subject to interest and credit approval.
No Bounce Courtesy Pay	\$32.00 Overdraft Fee per item if the resulting overdrawn transaction is \$5.00 or more. \$0.00 Overdraft Fee per item if the resulting overdrawn transaction is less than \$5.00.

Check, ACH, Automatic Bill Payment: This optional overdraft protection can be used to cover your checks, individually authorized and recurring ACH transactions, internet banking and telephone transfers, and online bill payments. Each item covered is assessed a fee. To obtain No Bounce Courtesy Pay, you must complete the Election Agreement.

ATM transactions and one-time debit card transactions: This optional overdraft protection can be used to cover your ATM and debit card transactions. Each item covered is assessed a fee. To obtain No Bounce Courtesy Pay, you must complete the Election Agreement.

Overdraft Protection Opt Out: You may never need to take advantage of Overdraft Protection but you may find it useful in the event of a temporary financial shortfall. If you do not want to have Standard Overdraft Protection, complete the Election Agreement for Overdraft Protection form to remove this benefit from your account. There is no fee to opt in or opt out. If you opt out you are instructing us to return any overdraft items unpaid. If you opt out, we will charge a \$32 returned item fee for checks and ACH transactions which are presented to us and we return. If a check or ACH transaction is presented and returned more than once we will charge a fee each time the item is returned. We do not charge a returned item fee for certain declined transactions including internet banking and telephone transfers, and ATM and debit card transactions. 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.

With No Bounce Courtesy Pay, we will generally pay your overdraft items when paying them would not cause your available balance to go more than \$600.00 into the negative. However, payment of your overdraft items is at our discretion and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, if you are not making regular deposits, or if you use the service irresponsibly. Each item paid through this service is subject to a fee as set forth in the box above.

Eligibility: No Bounce Courtesy Pay is limited to two checking accounts per eligible membership. No application is required for No Bounce Courtesy Pay Overdraft Protection. Eligibility is at the sole discretion of the Credit Union and is based on you managing your checking account in a responsible manner and may be suspended or permanently removed at our discretion.

Overdraft Protection Options: No Bounce Courtesy Pay is one of three overdraft protection options. We recommend reviewing all three before making decisions to opt in or out of these services. You are not required to use any overdraft protection options.

Overdraft Transfer from Visa Credit Card: If you have a Visa credit card with Family Trust, you can authorize us to set up an automatic transfer to move the funds needed to cover your overdraft. You pay the interest for the amount of money

Qualification Criteria for No Bounce Courtesy Pay:

- Your membership must be opened and maintained a positive balance for 30 days.
- Your membership must have a minimum of \$100 cumulative deposits within 30 days.
- You cannot have an unpaid charge-off share or loan.
- You cannot have a loan that is delinquent by 30 days or more.
- You cannot have any Bankruptcy warnings.
- You must be a minimum of 18 years of age.

Transactions Eligible for Overdraft Protection: Overdraft Protection can be used to cover your checks, individually authorized and recurring ACH transactions, online bill payments, ATM transactions and one time/everyday debit card transactions. To obtain No Bounce Courtesy Pay, you must complete our Enrollment Form. Branch transactions such as a cash withdrawal or the purchase of a negotiable instruments are not covered by No Bounce Courtesy Pay.

Accounts Eligible for No Bounce Courtesy Pay: No Bounce Courtesy Pay provides protection for personal checking accounts. Share accounts, money market accounts, and business accounts, and Fresh Start checking are not eligible. We limit the service to two checking accounts per eligible membership.

Obligation to Repay: You must bring your account to a positive balance within thirty (30) days of the overdraft. Failure to do so will result in account termination, our possible exercise of right to offset without prior notice, collection actions and negative credit reporting. Please contact us immediately if you are unable to pay your balance in full within the required timeframe. If we pay an overdraft on an account with more than one (1) owner, each owner is jointly and severally liable for such overdrafts and/or fees. The Credit Union reserves the right to apply any other or later deposits, including direct deposits, to pay your overdrafts or overdraft fees.

Minimize Fees by Monitoring Your Account: Overdraft Protection is intended to provide protection to ensure your items are paid if you have a temporary financial shortfall or make an error such as forgetting to properly record a transaction in your account register. The best way to minimize overdraft fees is to monitor your account balance and ensure you have sufficient funds at all times. Family Trust offers the following tools to monitor your account.

Online banking – Whether you use a desktop or tablet, you can see your recent transactions and available balance.

Mobile banking – Use mobile banking to check your available balance and recently posted transactions. You can also set customizable alerts. For example, if you want to know when your available balance dips below \$200.00, simply set up a

custom alert for that amount and we will send you a text or e-mail. You must establish Digital Banking to use the mobile banking alerts.

Telephone banking – You can call our automated service 24/7 and check your available balance and recent transactions.

Of course, the best method is to keep an accurate account register. Our mobile, online, and phone banking systems may not know all your transactions. For example, our systems will not know if you have written a check that has not cleared yet. As another example, you may have used your Credit Union debit card at a merchant, and the merchant transaction has not cleared yet.

Fees are Based on your Available Balance versus “Current Balance”: Many of these transactions are beyond the Credit Union’s control as they are requirements of the payment networks that your transactions are processed through via the merchants with whom you choose to do business. Also, we may place holds on various deposits as explained in the Membership Agreement on Funds Availability. Thus, your account records may show an “Current Balance” and an “Available Balance.” The Current Balance is the total amount of funds in your account(s). The Available Balance is the amount of the Current Balance that is available for transactions (withdrawals, write checks, debit transactions, online banking or other authorized transactions). You should take care only to make transactions against the Available Balance as these are the only funds you may access for transactions. If you exceed the Available Balance (even though the Current Balance may be greater), you may overdraw your account as new or additional transactions cannot be processed until funds are available for transactions. This may result in Insufficient Funds Transactions, Returned Items and Fees, including Overdraft Protection Fees, as a result of exceeding your Available Balance. To know the Available Balance, you may check online or mobile banking, or inquire by phone or in branch. Also, be sure you understand the order in which your transactions are paid as explained in the Membership Agreement so that you may avoid making transactions that exceed your Available Balance.

No Bounce Courtesy Pay service is triggered when we pay an item and you do not have a sufficient Available Balance to cover it.

Scenario 1: Your Current Balance is \$100.00 and your Available Balance is also \$100.00. You make an ATM withdrawal for \$200.00. If we process your withdrawal using your No Bounce Courtesy Pay you will be assessed a fee.

Your Available Balance can differ from your Actual Balance and an overdraft can occur even when you have a positive Actual Balance.

Scenario 2: Your Current Balance is \$100.00 and your Available Balance is also \$100.00. You make a purchase with your debit card at a merchant who submits an authorization of \$35.00. When we approve the authorization, we commit to pay the merchant and reduce your Available Balance to \$65.00. As the merchant has not yet settled your Current Balance remains at \$100.00. Next, you request an \$80.00 withdrawal at an ATM. You do not have sufficient available funds for the ATM transaction and if we honor your request using No Bounce Courtesy Pay we will assess a fee. The fee is based on your having only \$65.00 available and is not based on your Current Balance of \$100.00.

Next the merchant submits the settlement transaction for \$35.00. You do not have a sufficient Available Balance to cover this transaction. If we pay the \$35.00 using your No Bounce Courtesy Pay, you will be assessed a fee. In this scenario you drew on unavailable funds twice using No Bounce Courtesy Pay and incurred two fees.

If we change Scenario 2 slightly the outcome is different.

Scenario 3: If the merchant submits the \$35.00 settlement transaction before you conduct the \$80.00 ATM transaction, your \$35.00 purchase does not trigger your No Bounce Courtesy Pay service or a fee. After your purchase, your Current Balance and Available Balance are \$65.00. Next you request an \$80.00 ATM withdrawal against an Available Balance of \$65.00 which requires drawing on funds which are not available. If we process your withdrawal using your No Bounce Courtesy Pay service, you will be assessed a fee. In this scenario you drew on unavailable funds once using No Bounce Courtesy Pay and incurred one fee.

The difference between Scenario 2 and Scenario 3 was how quickly the merchant submitted the \$35.00 settlement transaction. The Credit Union cannot control that. We process merchant authorizations and settlement transactions as we receive them. PIN based transactions post to your account without the timing delays often associated with signature based transactions.

Merchant Authorizations Reduce your Available Balance: We post debit card authorizations and settlements from merchants as we receive them and we cannot control when we receive them. Please also note that some merchants may submit authorizations for more than the settlement amounts. For example, your local car rental agency may disclose to you they submit authorizations for \$500.00 before approving you to leave with the rental car. If your rental expense is only \$185.00 they only send a settlement for \$185.00. But the \$500.00 authorization reduces your Available Balance by that amount until we receive the corresponding settlement transaction. The most common transactions that generate authorizations for amounts which differ from settlement amounts are travel and entertainment transactions such as renting cars and holding hotel rooms. Generally, retail stores

know the exact amount of their transactions when they first initiate your card transaction and send us authorizations and settlements for the same amount. You choose the merchants you do business with and if the car rental companies, hotels, and other merchants you use do not disclose their authorization policies or have unfavorable policies you may want to consider not using your Credit Union debit card with them.

Understanding Your \$600.00 Overdraft Limit: We generally cover your items that will not take your available account balance more than \$600.00 negative. We then assess the applicable fees even if that takes your account more than \$600.00 negative. The scenarios below demonstrate how fees can impact your balance and the payment or return of subsequent items:

Scenario 4: Your Current Balance is \$100.00 and your Available Balance is also \$100.00. A check is presented against your account for \$700.00 requiring we allow your Available Balance to go \$600.00 into the negative. We would generally pay the check using No Bounce Courtesy Pay and assess a fee. If the fee were \$32.00, then your balance would then be -\$632.00.

Scenario 5: Your Current Balance is \$100.00 and your Available Balance is also \$100.00. A check is presented against your account for \$300.00 requiring we allow your available balance to go \$200.00 into the negative. We would generally pay the check using No Bounce Courtesy Pay and assess a fee. In this example, if the fee were \$32.00 your account balance is then -\$232.00 and your available balance is -\$232.00. Based on our normal \$600.00 limit, that leaves you another \$368.00 to cover your items. If another check is presented for \$400.00 we would generally not pay it as you were left with only \$368.00 to cover your items. If we return the \$400.00 check unpaid we would normally assess a \$32.00 NSF returned check fee and that would lower your account balance to -\$264.00. Your Overdraft Limit does not limit your returned check fees.

Payment Order of Items

The order in which items are presented may affect the fees assessed to your account. Most transactions are posted when you conduct them.

The following transactions are generally posted real time or very near real time:

Transactions you conduct at our teller counters such as deposits*, withdrawals, and cashing on-us checks
Your ATM deposits* and withdrawals
Your debit card purchases conducted with a PIN
Authorizations (holds) for your debit card purchases conducted using the VISA network**
Transfers you conduct using our automated phone system
Transfers you conduct using Online Banking or Mobile Banking systems
*Note that funds availability rules apply and funds deposited on a real time basis may not be made available immediately. For example, checks you deposit may be subject to uncollected funds holds. See our funds availability disclosures and shared branching rules for details.
**The corresponding settlements may lag hours or days based on when the merchants submit them. We post settlement transactions at the time we receive them.

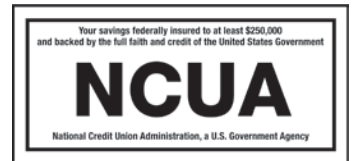
For ACH entries and checks which are received in batch files, Credit Union posts in the following manner:

Transactions which are posted in batch items:
Posting of that day's ACH credits is followed by ACH debits, followed by checks
ACH debits are posted in the order received.
Checks are posted in the order received.

Membership Agreement: Your Membership Agreement describes the duties, obligations, and rights of depositors, authorized signatories, and the Credit Union with regard to your deposit accounts. That Membership Agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. Your Membership 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,

Protections, or right to insist on your strict performance of any provisions of your account agreement, this Overdraft Protection 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 Protections.



ESI EXCESS SHARE INSURANCE

Additional insurance of up to \$250,000 on your savings accounts is provided by Excess Share Insurance Corporation, a licensed insurance company.