

## Overdraft Protection Disclosure

### Overdraft Transfer and Overdraft Privilege

Lanco FCU believes it is important for you to use your checking account responsibly and never intentionally overdraw your account. However, we realize that financial shortfalls happen from time to time, and we have services in place to protect you from being charged excessive fees and having overdraft items returned. This disclosure describes the circumstances when Lanco FCU may pay overdrafts in your checking account and charge you a fee.

#### **NOTE ON AVAILABLE ACCOUNT BALANCES:**

We use the Available Balance to determine both the payment of overdrafts and the assessment of fees as explained in your Membership and Account Agreement. You can check your balances using any of the tools Lanco FCU makes available to you (ATM, Gabby, Mobile Banking, Online Banking, or visiting a branch location). However, your balances can change several times each day and may change in a matter of minutes pursuant to the transactions you make and how/when they are presented to us, which is not under our control. Your efforts to track and know your transaction history are the best means to understand your available balance and avoid overdrafts.

### Overdraft Protection Services

**Overdraft Transfer** – In the event that you overdraw your checking account, Lanco FCU will first attempt to use Overdraft Transfer to pay the overdraft item by transferring money from your designated savings account. Each item paid by Overdraft Transfer incurs a fee as disclosed in the Schedule of Fees and Charges. If your designated account cannot cover the item because there are not enough available funds or it has reached its transaction limit, the item may be covered by Overdraft Privilege.

**Standard Overdraft Services (“Overdraft Privilege”)** – Overdraft Privilege allows you to overdraw your account up to a \$500.00 limit (prior to any associated fees) in order to pay a transaction. Each item paid by Overdraft Privilege incurs a fee as disclosed in the Schedule of Fees and Charges. Overdraft Privilege is included with some of our accounts, subject to the eligibility criteria as explained below. Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice. All deposits to overdrawn accounts are applied to the negative balance.

### Transactions Eligible for Overdraft Protection

**Consumer Accounts** – The following types of transactions are eligible for Overdraft Transfer and Overdraft Privilege: Checks, In-person withdrawals, Recurring debit card transactions, Online Bill Payer items, Online and Mobile Banking transfers, Telephone Banking transfers, ACH (automatic debit) items, and Teller Window Transactions.

ATM and everyday debit card transactions are not eligible for Overdraft Transfer and Overdraft Privilege unless you authorize Lanco FCU by completing a Regulation E Opt-In Form.

**Business Accounts** – The following types of transactions are eligible for Overdraft Transfer and Overdraft Privilege: Checks, In-person withdrawals, Recurring debit card transactions, Online Bill Payer items, Online and Mobile Banking transfers, Telephone Banking transfers, ACH (automatic debit) items, Teller Window Transactions, ATM Withdrawals and Transfers, and Everyday Debit Card Purchases.

### Accounts Eligible for Overdraft Privilege

No application is required for Overdraft Privilege. Eligibility is at the sole discretion of Lanco FCU. Your checking account will be automatically enrolled in Overdraft Privilege unless:

- Your account has been open less than 30 days;
- You do not bring your account to a positive end-of-day balance within 30 days of becoming overdrawn (including the payment of all Lanco FCU fees and charges);
- Your account type is Representative Payee, Estate, or Trust account;

- You are past due on any Lanco FCU loan or delinquent on any other obligation to Lanco FCU;
- You are subject to any legal or administrative orders or levies, liens against your account, or you are currently a party in a bankruptcy proceeding;
- The primary account owner is under 18 years old;
- Your account is classified as inactive;
- You have an unresolved prior loss with Lanco FCU;
- We believe you are managing your account in an irresponsible manner which may harm you or us; or,
- You have contacted Lanco FCU to opt out of Overdraft Privilege.

### **Suspension or Removal of Overdraft Privilege**

We are not obligated to pay any item presented for payment if your account does not contain sufficient collected funds. Overdraft Privilege does not constitute an actual or implied agreement between you and Lanco FCU, nor does it constitute an actual or implied obligation of or by Lanco FCU. This service represents a purely discretionary courtesy or privilege that Lanco FCU may provide to you from time to time and which may be withdrawn or withheld by Lanco FCU at any time without prior notice or reason or cause. Lanco FCU may restrict your debit card use if you incur overdrafts in excess of the available funds in your account, including any Overdraft Privilege limit.

### **Obligation to Repay**

You must bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all Lanco FCU fees and charges) 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 owner, each owner is jointly and severally liable for such overdrafts and/or fees. Lanco FCU reserves the right to apply any other or later deposits, including direct deposits, to pay your overdrafts or overdraft fees.

### **Overdraft Privilege Opt Out**

If you do not want to have Overdraft Privilege on your account, you may Opt Out by contacting us at (888) 318-4222, sending us a secure message in Online Banking, or visiting a branch location. You must give Lanco FCU at least three (3) business days from the date of receipt to process your request. There is no fee to opt in or opt out. It is important for you to understand that there is no additional cost for Overdraft Privilege. By opting out, you are instructing us to return unpaid items presented against insufficient funds on your account, and you understand that any such item will incur a Non-Sufficient Funds fee as disclosed in the Schedule of Fees and Charges.

### **Account Agreement**

Your Membership and Account Agreement (“Account Agreement”) describes the duties, obligations and rights of depositors, authorized signatories and the duties of Lanco FCU with regard to your deposit account(s). That Account Agreement is incorporated herein for all purposes as it were set forth verbatim as to matters not directly addressed by this disclosure. Your Account Agreement and this disclosure shall be construed to minimize conflicts between them.