

**Neighbors Credit Union**  
**Discretionary Overdraft (Courtesy) Practices Disclosure**

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

The Deposit Account Agreement and Disclosure provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the Authorized Signatories and Neighbors Credit Union with regard to your checking account. The Deposit Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Overdraft Practices Policy and the Deposit Account Agreement and Disclosure. A copy of the verbiage contained in the Deposit Account Agreement and Disclosure is available to you on request from your credit union.

Neighbors Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds, and any discretionary payment (or other negotiation or processing) by Neighbors Credit Union of any non-sufficient fund check or item does not obligate Neighbors Credit Union to pay any additional non-sufficient fund check or item or to provide prior notice of its decision to refuse to pay any additional non-sufficient fund check or item. The Discretionary Overdraft Practices Privilege will be applicable towards electronic check presentments and debits through the automated clearing house (ACH). Signature-based debit card purchases will be covered on accounts where the owner has given the credit union permission.

The Discretionary Overdraft Practices will not apply to checks presented at a Neighbors Credit Union's teller window. Members will not have access to the Discretionary Overdraft limit by using an ATM or Bill Pay. Pin-based debit card purchases are also ineligible.

Pursuant to Neighbors Credit Union's commitment to always provide you with the best level of customer service, now and in the future, if your consumer account (primarily used for personal and household purposes) has been open for at least ninety (90) days, you are over 18 years old, and thereafter you maintain your account in good standing, which includes at least:

- A) Making regular deposits consistent with your past practices,
- B) Depositing an amount equal to the amount of discretionary courtesy overdraft extended to you or more in your account within each thirty (30) day period and bringing your account balance to a positive balance within every thirty-five (35) day period;
- C) You are not in default on any loan or other obligation to Neighbors Credit Union;
- D) You are not subject to any legal or administrative order or levy; and
- E) Having a good mailing address,

If at anytime you do not meet the above eligibility requirements, you may be removed from the program.

Under Neighbors Credit Union normal business practices if sufficient funds are unavailable, drafts for the least money will be honored first in order to keep non-sufficient fund fees to a minimum. Neighbors Credit Union offers Overdraft Practices (Courtesy Pay) if you make an honest mistake in your checking account or an unusual or unforeseen circumstance arises at just the wrong time. Overdraft Practices (Courtesy Pay) is a service for qualified members that adds a measure of protection to your personal checking account. Therefore, when your checks are paid, Overdraft Practices will save you the embarrassment and inconvenience of a returned check as well as the fee normally charged to you by merchants for checks returned to them.

Neighbors Credit Union will consider, as a discretionary courtesy and not a right or obligation, approving your reasonable overdrafts. This privilege will generally be limited to a maximum of a \$500 overdraft (negative) balance for your checking account. Should you inadvertently overdraw your checking, funds for overdrafts will first come from your Overdraft Protection Plan if you have selected that option. Upon depleting balances available to you under Overdraft Protection Plan, our Overdraft Practices (Courtesy Pay) will then begin to cover overdrafts. Any and all credit union fees and charges, including without limitation the non-sufficient fund/courtesy pay fee of \$20 per item (as set forth in our fee schedules and deposit account agreement and disclosure), will be included in this limit.

The total of the discretionary courtesy overdraft (negative) balance, including any and all credit union fees and charges, including all non-sufficient fund/courtesy pay fee is due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Deposit Account Agreement and Disclosure.

Again, approval of payment of reasonable overdrafts by Neighbors Credit Union on consumer accounts in good standing (as described above) is only a discretionary courtesy, and not a right or obligation, is within Neighbors Credit Union's sole and absolute discretion, and can cease at any time without prior notice of reason or cause.

**Please contact a member service representative at 314-892-5400 if you do not want this service at any time.**