

## DISCRETIONARY OVERDRAFT PRIVILEGE POLICY

It is the policy of Universal 1 Credit Union, Inc. to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Membership and Account Agreement (“Agreement”) and related disclosures (“Disclosures”) provided to you at the time you opened your account with us control the duties, obligations and rights of the Depositor (shareholder), the Authorized Signatories (people authorized to make transactions on the account) and Universal 1 Credit Union, Inc. (“U1”) with regard to your checking account. The Agreement (and all amendments thereto) and its terms shall control any possible conflict between any provision of this Discretionary Overdraft Privilege Policy and the Agreement and Disclosures. (Copies available upon request.)

U1 is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment or other negotiation or processing by U1 of any non-sufficient funds check or checks or other item does not obligate U1 to pay any additional non-sufficient funds check or item or to provide prior notice of its decision to refuse to pay any additional non-sufficient funds check or item.

**Pursuant to U1’s commitment to always provide you with the best level of member service, if your checking account has been open for at least sixty (60) days and thereafter you maintain your account in “good standing,” as defined below, we will consider, as a discretionary privilege and not a right or obligation, approving your reasonable overdrafts.** This privilege for checking accounts will be limited to a maximum \$500 overdraft (negative) balance and only one (1) overdraft privilege account per member. Any and all fees (as set forth in the General Fee Schedule and the Agreement and Disclosures) will be included.

**Your account will be considered to be in “good standing” if you meet all of the following criteria:**

- (A) You deposit into your account an amount equal to or more than the amount of discretionary Overdraft Privilege extended to you within each thirty (30) day period;
- (B) You bring your account balance to a positive balance within every thirty (30) day period;
- (C) You are not in default on any loan or other obligation to U1;
- (D) You are not subject to any legal or administrative order or levy;
- (E) You have a current address on file with U1.

If you have a **Freedom Express** checking account with U1, you are **not** eligible for Overdraft Privilege.

The total of the discretionary Overdraft Privilege (negative) balance, including any and all fees and charges, non-sufficient funds/overdraft fees, continuous overdraft fees and interest charges, is due and payable upon demand. Depositor and each Authorized Signatory will continue to be liable, jointly and separately, for all such amounts as described in the Agreement and Disclosures.

Again, approval of payment of reasonable overdrafts by U1 on accounts in good standing (as described above) is a discretionary privilege, not a right or obligation, which is within U1’s sole and absolute discretion, and can cease at any time without prior notice of reason or cause.

October 2015