



OVERDRAFT PRIVILEGE DISCLOSURE

AppleFCU.org

P.O. Box 1200, Fairfax, VA 22038-1200 703-788-4800

An overdraft occurs when you do not have enough **available balance** in your account to cover a transaction at the time it is presented to us for payment, but we pay it anyway. We can pay overdrafts in three different ways:

1. We provide **Overdraft Savings Transfers** that are included at no additional cost with your checking account. To learn more, see below or ask us about this feature.
2. We offer a **Signature Line of Credit** loan, which requires credit approval and may be less expensive than our fee-based overdraft program, Overdraft Privilege. To learn more, ask us about this plan or visit our Personal Loan page.
3. We also offer **Overdraft Privilege (ODP)**.

ODP applies when we pay overdraft checks, ACH electronic transactions, bill pay, in-person withdrawals, and recurring debit card payments. ODP is available if you qualify. To qualify, you must be at least 18 years of age and have deposited at least \$300 into your primary Apple Federal Credit Union ("Apple FCU") checking account in the current or previous month. You also must have no delinquencies or legal orders against your Apple FCU accounts in order to qualify. Members may have Overdraft Savings Transfers, Signature Line of Credit, and ODP on the same account. In that case, we will apply Overdraft Savings Transfers, and/or Signature Line of Credit overdraft protection before ODP. Members may enroll one primary checking account in ODP. The Second Checking account, eXtras Student Checking and any other personal checking accounts belonging to the same member are not eligible for ODP.

If you choose to opt-in to Debit Card Overdraft Privilege, ODP can also apply to nonrecurring or one-time debit card payment transactions and ATM withdrawals or transfers. Without your affirmative consent, we may not authorize one-time debit card transactions or ATM transactions that will result in insufficient available balance in your account. If you want us to authorize and pay overdrafts on one-time debit card transactions or ATM transactions, review this disclosure and the form titled "What You Need to Know about Overdrafts", and call 703-788-4800, visit **AppleFCU.org**, or complete the Overdraft Enrollment form within Apple FCU Online or the Mobile App (*Accounts* menu). You can present the form at a branch, fax it to 703-667-8712, or mail it to P.O. Box 1200, Fairfax, VA 22038-1200.

Standard Practices and Fees

1. We will charge an Overdraft Fee of \$25 each time we pay an overdraft.
2. You will be limited to three (3) Overdraft and Returned Item Fees per day. Overdrafts in excess of three (3) per day will clear with no fee up to a total of negative available balance of your pre-set limit.
3. When you opt-in to Debit Card Overdraft Privilege for one-time debit card and ATM transactions, you must wait until the next business day to be able to overdraft the account on any such transactions.
4. Overdraft Fees will only be charged on transactions that result in a negative available balance of at least -\$29.01 at the time such transactions post to the account. However, we do not have a minimum transaction amount for overdrafts. Thus, if your account has a negative available balance greater than -\$29.01 and a \$2.00 payment is posted to (paid from) your account, you will be charged

a \$25 Overdraft Fee.

5. If you have opted-in to Check Card Overdraft Privilege, Annual Overdraft and Returned Item Fees will be limited to \$3,000 per member. Overdrafts in excess of \$3,000 in a given calendar year will clear with no fee up to a total negative available balance of your pre-set limit as set forth below. For purposes of determining whether the \$3,000 overdraft cap has been reached, the fee counter is reset to zero on January 1 each year.
6. ODP is limited and only available up to a maximum negative available balance of your pre-set limit. Your account may become overdrawn in excess of the pre-set limit due to fees. Up to \$25 in fees may be added to the pre-set limit. The pre-set limit includes the amount of overdrawn items, Overdraft and Returned Item Fees, and any other transactions that result in overdrawing your account, such as returned deposits and other fees described in our Schedule of Fees and Charges.

Enrolling in ODP does not guarantee that we will pay overdrafts. Apple FCU will decide to pay overdrafts on a case-by-case basis, in our sole and absolute discretion. That we have previously paid overdrafts does not obligate us to do so later. If we decline to pay an overdraft that would result from a check, ACH or bill pay transaction, then it will be rejected, and you will be charged a Returned Item (NSF) Fee. You will not be charged any fees if we decline to authorize a debit card payment transaction or ATM withdrawal or transfer. Nor will you be charged a fee for an overdraft debit card payment that was authorized when your account has sufficient available balance.

Overdraft Savings Transfers

If your checking account does not have sufficient available balance to pay a transaction, we will first attempt to pay the transaction at no charge through Overdraft Savings Transfers from your linked savings account (your membership savings account) if you have previously enrolled, provided it has sufficient funds available to pay the full amount of the overdraft transaction. This transfer/withdrawal limit includes transfers by Apple FCU to pay overdrafts, your pre-authorized transfer requests, and your requests for transfers and withdrawals by telephone (including the Personal Automated Teller Service), through Apple FCU Online, through the Apple FCU Mobile App, or by fax. See our Membership Agreement and Disclosures for more information about linked savings accounts and account transactions limits.

Transaction Processing and ODP

If we do not pay your overdraft through Overdraft Savings Transfers and you do not have a Signature Line of Credit, we may pay your overdraft through ODP, if you are enrolled in ODP. To determine whether a transaction may cause an overdraft, it is important to understand that your checking account has two kinds of balances: the Available Balance and the Current Balance.

- **The Current Balance** (also sometimes referred to as your "actual" balance or your "ledger" balance) is the full amount of all deposits into your account, even though some portion of a deposit may be on hold and may not be available to you (see Funds Availability Policy Disclosure), less payment transactions that have actually

“posted” to or have been paid from your account, but not payment transactions that have been authorized and are pending. Thus, while the term “current” may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Any holds for purchase transactions, holds on deposits, or other checks, payments and fees that have not yet posted will not appear in your Current Balance. The Current Balance is the balance reflected on your account statements.

- **The Available Balance** is the amount of money in your account that is available for you to use without the risk of being charged an Overdraft Fee or Returned Item Fee. The Available Balance is the Current Balance less things like holds placed on deposits and pending transactions (such as pending debit card purchases) that we have authorized but that have not yet posted to your account. You may check your Available Balance using Apple FCU’s Online Banking portal or Mobile App.

We use **Available Balance** to decide whether to authorize (pay or not pay) transactions. We also use **Available Balance** at the time transactions are posted and actually paid (not when they are authorized) to decide whether to charge Overdraft Fees. The following example illustrates how this works:

Assume your current and available balance are both \$100, and you swipe your debit card at a restaurant for \$60. As a result, your available balance will be reduced by \$60 so your available balance is only \$40. Your current balance is still \$100. Before the restaurant charge is sent to us for posting, a check that you wrote for \$50 clears. Because you have only \$40 available (you have committed to pay the restaurant \$60), your account will be overdrawn by \$10, even though your current balance was \$100. In this case, we may reject the check, in which case you will be charged a Returned Item Fee. If you are eligible for Overdraft Privilege, then we may pay the \$50 check, but you will be charged an Overdraft Fee because your available balance was not sufficient at the time of payment to cover the check. When the \$60 restaurant charge is later submitted to us and posted to your account it will also be an Overdraft, but you will not be charged a fee because your available balance was sufficient when it was authorized.

It is very important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your available balance may not reflect all the outstanding checks and automatic bill payments that you have written or authorized, or other outstanding transactions that have not been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and posted to your account.

In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account.

If your checking account goes into an overdrawn status (including from Returned Item Fees and Overdraft Fees) and funds are available in the linked savings account, we will transfer all or some of the funds from the savings account to the overdrawn checking account to reduce or eliminate the overdrawn amount, as permitted by law.

Payment Order of Items

The order in which items are paid is important if the available balance in your account is not sufficient to pay all of the items that are presented for payment. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. For more information, please refer to the “Overdrafts” section of your Membership Agreement and Disclosures.

Tips to Control Costs for the ODP

1. The best way to know how much money you have and avoid paying Returned Item Fees and Overdraft Fees is to record and track all of your transactions closely.
2. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts.
3. Using digital banking services at **AppleFCU.org** and our App on your mobile device can help you keep track of your available balance.
4. Request a lower ODP limit (e.g., a maximum negative available balance limit for overdrafts of \$500, rather than the standard pre-set limit described above).

Restriction of ODP Privileges

ODP is **not a loan or a line of credit** and must be repaid promptly. Should the account remain overdrawn beyond 30 days of the initial overdraft transaction posting, ODP privileges will be suspended temporarily and the service frozen. For example, if you overdraft \$100 on the first of the month and \$200 on the 20th, then a total of \$300 is due on or before the 30th. The account must have a positive current balance for a minimum of one (1) business day to allow the deposited funds to clear and reset the 30-day repayment cycle. If day 30 of the repayment cycle falls on a weekend or holiday, the account must have a positive current balance as of the previous business day to be eligible for ODP reinstatement. Should the account remain overdrawn beyond 45 days, ODP privileges will be revoked permanently. The failure to deposit funds to bring the account to a positive current balance may result in the overdrawn balance being charged off as a loss to Apple FCU. Such action could result in the checking account being closed and restriction of your membership privileges.

Once a member repays the ODP balance, ODP is available again the next business day for the checking account. For example, you pay back your ODP on Monday; it becomes available on Tuesday.

These are not the only circumstances under which ODP may be terminated, and Apple FCU reserves the right to revoke ODP privileges, permanently or temporarily, at any time and to deny the payment of any transactions without prior notification.

Canceling Your Enrollment in ODP

Members that have opted in to ODP for ATM and one-time, non-recurring debit card transactions have the right to revoke their consent by opting out of ODP for such transactions at any time through **AppleFCU.org** or by phone at 703-788-4800. If you prefer, you may also opt out at any branch location, by faxing requests to 703-667-8712, or by mailing the requests to: P.O. Box 1200, Fairfax, VA 22038-1200.