



Kansas City Credit Union-Overdraft Privilege Disclosure

It is important that you use your checking account responsibly and to never intentionally overdraw your account. However, we realize that financial shortfalls happen from time to time, and we have options available for you. As a benefit to our members, we offer useful services to cover you in the event you overdraw your checking account.

Overdraft Coverage Options:

- **Overdraft Protection:** you authorize us to transfer the funds needed to cover your overdraft from one of your suffixes at the credit union. There is a \$5.00 per transfer and limited to 6 transfers per month.
- **Overdraft Privilege:** Is a service we add to your checking account, subject to the eligibility criteria as explained below. With Overdraft Privilege we will generally pay your overdraft items up to \$500, however, whether your overdrafts will be paid discretionary, and we reserve the right not to pay. For example, (we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts.) You will be charged our normal overdraft or non-sufficient funds fee of \$33 for each item that is presented. Both the amount of the overdraft items and all applicable fees, including but not limited to the overdraft fees, are included in this limit. All deposits to overdrawn accounts are applied to the negative balance.

Eligibility- is at the sole discretion of Kansas City Credit Union and is based on you managing your checking account in a responsible manner. Your overdraft privilege may be suspended or permanently removed based on the following criteria:

- You must have direct deposit with Kansas City Credit Union totaling at least \$500.00 each month.
- You have had an account open less than 60 days.
- Your account type is not eligible.
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding.
- The primary account holder is less than **18** years of age.
- You have an unresolved prior loss with the credit union.
- You are 30 days past due on any credit union loan or delinquent on any other obligation to Kansas City Credit Union.
- You have an outstanding balance on an Overdraft repayment plan.
- Your account is being reviewed for fraudulent activity or transactions.
- A tele-check or any other negative indicator has been reported to us.
- Your account is classified as inactive.
- We do not have a valid address for you.
- We believe you are not managing your account in a responsible manner, which may harm you or us.
- You do not bring your account to a positive balance within 30 days of becoming overdrawn.

Transactions Eligible for Overdraft Privilege- Checks, ACH transactions, preauthorized automatic transfers, internet banking, and telephone banking. Overdraft privilege will also be available for ATM and everyday debit card transactions **If**, you authorize Kansas City Credit Union to do so by completing the Reg -E form for ATM/Debit Card Consent.

Note: If you consent to overdraft privilege for ATM transactions, please verify your balance before initiating an ATM cash withdrawal. All overdrafts will be subject to our \$33 overdraft fee for each withdrawal until the account returns to a positive balance.



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Overdraft Privilege Opt-Out- You may never need to take advantage of overdraft privilege; but you may find it useful in the event of a temporary shortfall. If you do not want to have overdraft privilege, simply contact us by coming to a branch and signing the Opt-Out form and we will remove the benefit from your account. It is important for you to consider that there is no additional cost for overdraft privilege unless you must use it and by opting out you are instructing Kansas City Credit Union to implement the non-sufficient funds fee of \$33 and return the item.

Members who receive a social security, federal direct deposit, or any other entitlement benefits must opt-out if they do not want Kansas City Credit Union to apply those funds to pay an overdraft.

Note: Please be aware that holds placed on your account for pending electronic transactions, such as hotel or rental car deposits, reduce your available balance and may cause your account to become overdrawn.

Account Agreement- your account agreement describes the duties, obligations, and rights of depositors, authorized signatories and Kansas City Credit Union about your deposit accounts. That account agreement is incorporated herein for all purpose as if 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.

Waiver- the credit unions forbearance from, or delay in, exercising any of the credit union's rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this overdraft privilege disclosure, or any other provision related to your account, shall not be a construed to be a current or future waiver of the credit union's right s, remedies or privileges.

Remedy: you and the credit union agree that the exclusive remedy and forum of all disputes arising out of the overdraft privilege or your or credit union's performance there under, except for matters you or credit union take to small claims court, is arbitration by an independent arbitrator pursuant to the applicable rules of the American Arbitration Association, except as prohibited by law.