

Overdraft Protection Services Disclosure

Extra Credit Union offers several forms of overdraft protection services. This disclosure details the types of services offered.

What is an overdraft?

An overdraft occurs when you do not have enough money available in your checking account to cover a transaction, but it is paid anyway.

How do overdrafts get paid?

Draw accounts – Your own funds from another account (your savings share or flexLINE) are transferred to your checking account to cover your transaction.

Courtesy Pay – The credit union will cover your transactions up to your designated overdraft limit and assesses a fee per transaction.

What types of transactions are covered by the Courtesy Pay that I automatically get with my account if qualified?

- Checks and other transactions made using your checking account number
- Automatic bill payments and automatic withdrawals (e.g. mortgage, insurance, loan payments)
- Debit card transactions are included if you opt-in for coverage.

What is the difference between the available balance and account balance amounts?

The available balance is much more up-to-date than the account balance. The amount of money in the available balance is immediately available for withdrawal or other uses. Any activity – i.e. deposit or withdrawal – during the day will be reflected by the available balance, but not necessarily in the account balance. The available balance reflects pending transactions that have not cleared your account yet such as debit card transactions.

If you exceed your available balance (even though the account balance may be greater) you may overdraw your account as new or additional transactions cannot be processed until funds are available. This may result in the use of Courtesy Pay, Insufficient Fund Transactions and Fees. Fees are assessed based on the available balance at the time the transaction clears your account.

Example of Available Balance

If your available balance and actual balance are both \$100 and you swipe your debit card at a restaurant for \$35, the merchant will ask the credit union to pre-authorize the payment. The credit union would then place a hold on the account of \$35. Your actual balance would still be \$100 because the debit transaction has not yet posted to the account; however, the available balance would be \$65 because you already authorized the \$35 payment to the restaurant. When the restaurant submits the transaction for payment (which could be a few days later and could be for a different amount, if you added a tip), the credit union would still post the transaction to the account and the actual balance will be reduced. Once the transaction is posted, the “hold” that was placed is removed.

Example of Overdraft Fee for Insufficient Available Balance

If your actual balance and available balance are \$100 and you swipe your debit card at a merchant for \$35, a hold is placed on the account and the available balance will be reduced to \$65. The actual balance remains at \$100 because the transaction has not yet posted to the account. If a check was previously written for \$75 and clears through the account before the merchant charge is sent to the credit union for processing, you could incur an overdraft fee. This is because the available balance is \$65 when the \$75 check was paid.

Discretionary Courtesy Pay

This section describes the Courtesy Pay service offered to Extra Credit Union members (designated as “you”, “your” or “the Depositor”). It is the policy of Extra Credit Union to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards. All guidelines that pertain to this service are included within this disclosure.

The Membership and Account Agreement 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 Extra Credit Union with regard to your account. The Membership and Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Courtesy Pay Disclosure and the Membership and Account Agreement. A copy of the Membership and Account Agreement is available to you upon request from an Extra Credit Union representative.

Courtesy Pay is not a line of credit. However, if you overdraw your account, we will normally pay the overdraft, subject to the limit of your Courtesy Pay and the amount of the fee. Extra Credit Union 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 Extra Credit Union of any non-sufficient fund check or draft (or other item) does not obligate Extra 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.

Pursuant to Extra Credit Union’s commitment to always provide you with the best level of member service, now and in the future, when your account (primarily used for personal and household purposes) has been open for at least ninety (90) days and thereafter you maintain your account in good standing, which includes at least:

- A) Bringing your account balance to a positive balance within every thirty (30) day period for a minimum period of 24 hours;
- B) Not being in default on any loan or other obligation to Extra Credit Union and
- C) Not being subject to any legal or administrative order or levy

Extra Credit Union will normally pay overdrafts within the overdraft privilege limits, but payment by Extra Credit Union is a discretionary courtesy and not a right or obligation. This privilege for consumer checking accounts will generally be limited to a maximum of \$500 overdraft (negative) balances. Of course, any and all fees and charges, including without limitation to the non-sufficient funds fees (as set forth in the credit union’s fee schedule) will be included as part of this maximum amount.

The total of the discretionary overdraft (negative) balance, including any and all fees and charges, including all non-sufficient funds/overdraft fees is due and payable upon demand, but in all cases you agree to pay any negative balance owing within thirty (30) days of the account being overdrawn, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Membership and Account Agreement.

Again, while Extra Credit Union will typically pay overdrafts on accounts in good standing (as described above) payment is a discretionary courtesy, and not a right or obligation and Extra Credit Union in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.



Debit Card Point-of-Sale Pay

Debit card transactions are not covered by the discretionary Courtesy Pay that is automatically added to your account if qualified. If you want Extra Credit Union to authorize and pay overdrafts on everyday debit card transactions, you will need to affirmatively opt-in to the protection coverage. For more information on how you can opt-in, please contact us at (586) 276-3000 or visit us at www.ExtraCreditUnion.org.

For Debit Card overdraft transactions you may be assessed a fee per transaction. For specific fee information, please refer to the Fee and Service Charge Schedule.

Please note, there is no limit on the total fees we can charge you for overdrawing your account.

Extra Credit Union will pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined and a fee may be assessed.

Amendments:

We may change or amend any of the terms of this disclosure at any time and will notify you as required by law.

Termination of Prior Effective Date:

Upon your receipt, this disclosure terminates and takes place of any earlier Overdraft Protection Services Disclosure.

Effective Date:

The effective date of this disclosure is May 2026.