

What You Need to Know about Overdrafts and Overdraft Fees

An overdraft occurs when you do not have enough money in your account to cover a transaction. As a courtesy, Baylor Health Care System Credit Union may pay the transaction anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account. This service links a savings account and may be less expensive than our standard overdraft practices.
2. We also offer an optional protection program entitled "Courtesy Pay".

This notice explains our standard overdraft practices.

What are the standard overdraft practices that come with my account?

We authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number.
- Everyday debit card transaction

We pay overdrafts at our discretion, which means we do not guarantee we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transactions will be declined.

What fees will I be charged if Baylor Health Care System Credit Union pays my overdraft?

Under our Courtesy Pay Program

- We will charge you a fee of \$30.00 each time we pay an overdraft.
- There is no limit on the total fees we can charge you for overdrawing your account.

What if I want Baylor Health Care System Credit Union to authorize and pay my ATM and everyday debit card transactions?

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call 469-676-2200, visit www.bhcsu.com, or complete this form and present it at 4005 Crutcher St., Suite 130, Dallas, TX 75246. You may also mail or fax this agreement using the contact information listed on the top of this form.

I **do not** want Baylor Health Care System Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

I **want** Baylor Health Care System Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

I want Baylor Health Care System Credit Union to **stop** authorizing and paying overdrafts on my checking account number.

I want Baylor Health Care System Credit Union to **stop** authorizing and paying overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____

Member Number: _____

Signature: _____

Date: _____

Baylor Health Care System Credit Union

Discretionary Overdraft Privilege Disclosure

It is the policy of Baylor Health Care System Credit Union 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 and disclosure provided to you from Baylor Health Care System Credit Union controls the duties, obligations and rights of the Depositor, the Authorized Signatories and Baylor Health Care System Credit Union regarding your share draft 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 Overdraft Privilege Disclosure and the Membership and Account Agreement. A copy of the Membership and Account Agreement is available to you on request from any Baylor Health Care System Credit Union staff member.

The Overdraft Privilege is not a line of credit. However, if you inadvertently overdraw your account, we will the discretion to pay the overdraft, subject to the limit of your then-existing Overdraft Privilege limit and the amount of the overdraft fee. Baylor Health Care System Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by Baylor Health Care System Credit Union of an overdraft check (or item, such as an ATM withdrawal) does obligate Baylor Health Care System Credit Union to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

Pursuant to Baylor Health Care System Credit Union's commitment to always provide you with the best level of service, now and in the future, if you maintain your account in good standing, which includes at least:

- A. Brining your account to a positive balance within every thirty (30) day period for a minimum period of 1 business day.
- B. Not being in default on any loan or other obligation to Baylor Health Care System Credit Union and
- C. Not being subject to any legal or administrative order or levy.
- D. Have signed up for Baylor Health Care System Credit Union e-notifications.

Baylor Health Care System Credit Union will have the discretion to pay overdrafts within the Overdraft Privilege limits, but payment by Baylor Health Care System Credit Union is a discretionary courtesy and not a right of the member or an obligation of Baylor Health Care System Credit Union. An Overdraft Privilege limit of \$500.00 or greater within the last 30 days will receive \$500.00 overdraft (negative) balance. Of course, all fees and charges, including with limitation, the non-sufficient funds fee (as set forth in our fee schedules and Membership and Account Agreement and disclosure received from Baylor Health Care System Credit Union) will be included as part of this maximum amount. It may be possible that your account will become overdrawn more than the Overdraft Privilege amount because of the assessment of a fee.

The total of the discretionary Overdraft Privilege (negative) balance, which includes all fees and charges, including all non-sufficient funds/overdraft fees 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 Membership and Account Agreement and Disclosure. Our standard Overdraft fee of \$30.00 will be imposed for overdrafts created by checks, ACH, ATM withdrawals, everyday debit card transactions, in-person withdrawals, or by other electronic means.

While Baylor Health Care System Credit Union will have the discretion to pay overdrafts on accounts in good standing (as described above), any such payment is a discretionary courtesy, and not a right of the member or an obligation of Baylor HealthCare System Credit Union and Baylor Health Care System Credit Union in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of its reason or cause. If you do not maintain your account in good standing, the Overdraft Privilege limit will be removed.

For our members, Baylor Health Care System Credit Union will not pay overdrafts for ATM or everyday debit card transactions unless Baylor Health Care System Credit Union has provided you with the notice required by 1005.17(b) of Regulation E and you have opted into the payment of these overdrafts. To avoid overdrafts due to ATM and everyday debit card transaction, Baylor Health Care System Credit Union will place a hold on your account for any ATM or everyday debit card transaction authorized until the transactions settles. ATM and everyday debit card transactions usually settle within two business days after the transaction is authorized. The amount of the hold will be for the amount authorized or as permitted under applicable payment network rules. Holds on authorized ATM and everyday debit card transactions will be removed prior to settlement where required by applicable payment network rules.

Members may discontinue having Overdraft Privilege cover future transactions at any time by contacting one of our staff members.