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ILWU Credit Union Discretionary Overdraft Privilege Disclosure

What is Overdraft Privilege?

Overdraft Privilege is a discretionary service provided to eligible accounts. It is designed to help guard members against having items returned or declined. Overdraft Privilege is not a line of credit. However, if you inadvertently overdraw your account, we will have the discretion to pay the overdraft, subject to the limit of your Overdraft Privilege and the amount of the overdraft privilege fee. ILWU Federal 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 ILWU Federal Credit Union of an overdraft item (Check, ACH, Bill Pay, recurring debit card transaction) does not obligate ILWU Federal Credit Union to pay any other overdrafts, or to provide prior notice of its decision to refuse to pay such items.

Overdraft Privilege Eligibility

To be eligible for Overdraft Privilege, you must be at least 18 years old, with a checking account open for at least ninety (90) days, and maintain your account in good standing, which includes the following:

- a) No loans past due more than 30 days
- b) No charged off loans or shares
- c) No Bankruptcies, levies, or garnishments
- d) No dormant account status
- e) You bring your account to a positive balance for at least one processing day within twenty-one (21) calendar days of the date it falls negative

ILWU Federal Credit Union will have the discretion to pay overdrafts within the Overdraft Privilege limit. But payment by ILWU Federal Credit Union is a discretionary courtesy and not a right of the member or an obligation of ILWU Federal Credit Union. ILWU Federal Credit Union in its sole and absolute discretion can cease paying overdrafts at any time without prior notice of reason or cause.

Overdraft Privilege Limits

If your monthly direct deposit is \$1000 or more, Overdraft Privilege may cover amounts up to a negative \$1,000 balance in your checking account. Of course, any and all fees and charges, including without limitation the non-sufficient funds fees (as set forth in our Schedule of Service Charges and Membership Agreement and Disclosures), will be included as part of this maximum amount. It may be possible that your account will become overdrawn in excess of the Overdraft Privilege amount as a result of the assessment of a fee.

Order of Payment

Transactions may not be processed in the order in which they occurred, and the order in which transactions are received and processed may impact the total amount of fees incurred.

Liability for Overdrawn Balances

The total of the discretionary Overdraft Privilege (negative) balance, which includes any and all fees and charges, including all non-sufficient funds/overdraft fees is due and payable upon demand, and account holder will continue to be liable, jointly and severally, for all such amounts, as described in the Membership Agreement and Disclosures. Our standard Overdraft Privilege fee of \$25 will be imposed for overdrafts created by checks, ACH, Bill Pay and recurring debit card transactions.

Overdraft Privilege Fees

Our standard Overdraft fee of \$25.00 will be imposed for overdrafts created by checks, ACH, ATM withdrawals, everyday debit card transactions, in-person withdrawals, or by other electronic means. The maximum amount of Overdraft Privilege fees that will be charged to a member's account is \$150 per day.

Overdrafts of ATM and Non-recurring Debit Card Transactions

ILWU Federal Credit Union will not pay overdrafts for ATM withdrawals or non-recurring debit card transactions unless you have given us your consent and ILWU Federal Credit Union has provided you with the notice required by section 205.17(b) of Regulation E confirming you have opted in to the payment of these overdraft transactions. In order to avoid overdrafts due to ATM Withdrawals and non-recurring debit card transactions, ILWU Federal Credit Union may place a hold on your account for any ATM withdrawals or non-recurring debit card transaction authorized until the transaction settles. ATM withdrawals and non-recurring 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 withdrawals and non-recurring debit card transactions will be removed prior to settlement where required by applicable payment network rules.

Cancelling Overdraft Privilege

Members may request to cancel the Overdraft Privilege services for all transactions at any time by contacting the Credit Union. By opting out, your check, ACH, Bill Payment will be returned unpaid, and a Non-Sufficient Funds Fee will apply, if funds are not available. Please refer to the Schedule of Services Charges for the Non-Sufficient Funds Fee.