

Overdraft Services Disclosure

(Revision Date 05/15/2024)

I. Overdraft Services

An overdraft occurs when a member does not have enough money in their available balance to cover a transaction however Georgia's Own pays the presented item anyway. There are several layers of Overdraft Services that can help ensure items are paid.

- **Overdraft Protection Transfer from another account(s)** is an optional service that allows a member to link their Primary Savings, Line of Credit or Related Savings account(s) to their checking account. With this option, the Credit Union simply transfers the overage amount from the indicated Georgia's Own account to cover any overdraft(s). The member will have the peace of mind knowing that their transaction is covered and a much smaller fee is incurred than what a returned transaction would cost.
- **Premium Overdraft Protection for checks, ACH transactions and recurring debits** is an optional service available to members that qualify that allows presented checks, ACH transactions and recurring debits to be paid when insufficient funds are available in their checking account or via transfer from other accounts they have previously linked. This prevents payments from being returned or declined and can save the embarrassment and process of resubmitting payments.
- **Premium Overdraft Protection for one-time Debit Card and ATM transactions [Consumer Only; Not Applicable to Business Accounts]** is an optional service available to members that qualify and works in conjunction with their Debit Card. This works the same as coverage for checks, ACH transactions and recurring debits but requires the member to opt in. Once opted in, transactions using a debit card associated with the checking account will also be allowed to go through even though sufficient funds might not be present at the moment. If the member chooses not to opt in or opts out, transactions via a card would be declined unless sufficient funds are available in their checking or linked savings account(s).

Be aware that the Credit Union pay overdrafts at our discretion, which means the Credit Union does not guarantee it will always authorize and pay transactions. If the Credit Union does not authorize and pay an overdraft, the members transaction will be declined or returned as Nonsufficient Funds (NSF).

Under the Overdraft Services, the Credit Union will charge an Overdraft Transfer fee as outlined in the Truth-in-Savings Fee Schedule each time an Overdraft Protection Transfer is initiated, unless that account is a line of credit in which case the daily interest due is the only charge.

Under Premium Overdraft Protection for checks, ACH transactions and recurring debits as well as Premium Overdraft Protection for one-time Debit Card and ATM transactions, the Credit Union will charge a Premium Overdraft Fee as outlined in the Fee Schedule each time an overdraft is paid.

If the member wants the Credit Union to authorize and pay overdrafts on one-time Debit Card and ATM transactions and the member has not already enrolled, they can contact any branch location, the member service phone line, secure web message via their online banking portal or by writing to Georgia's Own Credit Union, PO BOX 105205, Atlanta GA 30348.

II. Overdraft Services

Members enrolled in Overdraft Services at Georgia's Own have elected to add protection to their checking account to cover overdrafts. All members are initially set up on Overdraft Protection Transfers from their Primary Savings Account. This allows for transfers from a Primary Savings Account initially; additional Related Savings Account(s) and/or a Line of Credit account(s) can be added at any time for additional sources of overdraft. When the Credit Union pay overdraft items by Overdraft Protection Transfer, the member will be charged an Overdraft Transfer Fee as stated in the Truth-in-Savings Fee Schedule.

Subject to the eligibility criteria as explained below, members are granted access to Premium Overdraft Protection for checks, ACH transactions and recurring debits up to an established limit. This service is discretionary, not a right or obligation guaranteed to members; however, the Credit Union will strive to pay reasonable overdrafts when the member's account is in good standing and meets eligibility requirements. The amount of Premium Overdraft Protection for checks, ACH transactions and recurring debits an account is eligible for may fluctuate based on several membership factors that include but are not limited to:

- Age of Account
- Number of Deposits
- Dollar Amount of Deposits
- Deposit Patterns
- Repayment Pattern
- Overdraft Activity

The Credit Union typically does not pay overdrafts if an account is not in good standing, the member is not making regular deposits or the member has too many overdrafts previously. When the Credit Union pay overdraft items using Premium Overdraft Protection, the member will be charged the Premium Overdraft Fee as stated in the Truth-in-Savings Fee Schedule. Additionally, all deposits to overdrawn accounts are applied to the negative balance of that account except where specifically prohibited.

III. Eligibility

No application is required for Overdraft Services. All accounts are granted access to Overdraft Protection Transfers from the Primary Savings Account at account opening. Premium Overdraft Protection for checks, ACH transactions and recurring debits are available after an account opening probationary period and fluctuate based on membership and account behavior factors. Premium Overdraft Protection for one-time Debit and ATM transactions must be explicitly opted into by each member wishing to participate in this service and will fluctuate at the same level as Premium Overdraft Protection for checks, ACH transactions and recurring debits. Members may opt out of any or all Overdraft Services at any time. Ongoing eligibility for Overdraft Services is at the sole discretion of the Credit Union and may be based on account type, how the members manage their account, length of membership with the Credit Union and other factors. Overdrawn accounts are subject to review and closure as early as the 45th consecutively negative day based on the end of day account balance(s). Accounts must retain a positive balance overnight to be considered positive for the day.

Accounts Not Eligible for Premium Overdraft Protection

- Accounts where the primary member is under 18 years of age
- Resolution Accounts
- Bank On Accounts
- Money Market or Business Money Market Accounts
- Savings Accounts

IV. Suspension/Revocation

The Credit Union reserves the right to suspend or revoke Overdraft Services at its discretion and based on criteria that may include, but is not limited to the following:

- The account type is not eligible.
- The deposit account is negative for 30 consecutive days without the account being brought to a positive balance at least one time during overnight processing.
- More than 30 days negative or past due on any Credit Union loan or delinquent on any other obligation to the Credit Union.
- Subject to any legal or administrative orders, levy or are currently a party in a bankruptcy proceeding
- Account is being reviewed for fraudulent activity or transactions.
- A third-party reporting agency such as ChexSystems has reported negative information.
- Account is classified as inactive or dormant.
- Credit Union does not have a valid address for member.

V. Transactions Covered

Premium Overdraft Protection for checks, ACH transactions and recurring debits will be available for all checks written or created via bill pay, ACH transactions or preauthorized/recurring debits and recurring debit card transactions. If the member is eligible and after they have affirmatively opted in, Premium Overdraft Protection for one-time Debit Card and ATM transactions will be available for debit card transactions and ATM withdrawals. All transactions resulting in a negative account balance will be subject to a Premium Overdraft Fee as stated in the Truth-in-Savings Fee Schedule.

VI. Opt-Out

Members have the option to have any or all Overdraft Services removed from their Checking Account at any time by writing to Georgia's Own Credit Union, PO BOX 105205, Atlanta GA 30348, by contacting any branch location, the member service phone line or through a secure web message via the online banking portal. It is important for members to understand that by opting out of this service, without some other form of overdraft plan, they are instructing the Credit Union to return or decline all items presented against insufficient funds as unpaid. If the member opts out and items are presented against an account containing insufficient funds, members will still be charged the normal Nonsufficient Funds Fee (NSF) as stated in the Truth-in-Savings Fee Schedule. Future deposits to the overdrawn account, electronic or over the counter, will be applied to the negative balance caused by the Nonsufficient Funds (NSF) fee except where specifically prohibited.

VII. Payment Order of Items

Checks, drafts, ACH transactions and other items may not be processed in the order the member makes them. The order in which the Credit Union processes items and executes other transactions on accounts may affect the total amount of fees that may be charged to the member's account(s). When processing items drawn on a member's account, the Credit Union policy is to pay items as they are received. The Credit Union commonly receives items to be processed against account(s) multiple times per day in what is referred to as presentment files. Each presentment file received contains a large amount of a specific type of item (Check, ACH, or ATM/POS). It is common for each of these presentment files to contain multiple items to be processed against accounts. In this case, when multiple items are received at once,



the items will be paid as follows: ACH items in each presentment file post credits first, then debits paid by dollar amount, lowest to highest. Checks are paid in order of dollar amount, lowest to highest. ATM/POS items are paid in the order they are presented. Items performed in person such as withdrawals or checks cashed at one of the Credit Union's branch locations or a shared branch are generally paid at the time they are performed.

The Credit Union's payment policy may cause larger items to not be paid first (such as rent or mortgage payment), but may reduce the amount of fees the member has to pay if funds are not available to pay all of the items.

VIII. Payment of Overdrafts

If, on any day, the available balance in a member's account(s) is not sufficient to pay the full amount of a check, draft, ACH transaction or other item plus any applicable fee that is posted to the account, the Credit Union may return the item or pay it. If the decision at the time of presentment is to return the item, the Credit Union may choose to delay final decision to return or pay the item one business day to allow for additional deposits that could bring sufficient funds to the account to pay the item and applicable fees (referred to as "repass"). The option to return the item, pay it or repass it is described further herein. The Credit Union's determination of an insufficient available account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. The Credit Union does not have to notify the member if their account does not have a sufficient available balance in order to pay an item. The account may be subject to a fee for each item regardless of whether the Credit Union returns or pays the item, including when repassing the item prior to paying or returning it. The Credit Card may charge a fee each time an item is submitted for payment. In the case of repass, the Credit Union will only charge one fee per presentation of an item, regardless of whether the item is paid or returned.

If the member is eligible for Premium Overdraft Protection, this service allows the Credit Union to authorize payment for the following types of transactions regardless of whether the account has sufficient funds, except as otherwise described below: (1) checks; (2) ACH Transactions; (3) and recurring debits. For one-time debit card and ATM transactions, the member must affirmatively consent to such coverage. Without consent, the Credit Union may not authorize and pay one-time debit card or ATM transactions that will result in insufficient funds in the account. If the member has established an Overdraft Protection Transfer linking their Saving (Primary or Related) or Line of Credit account(s) with other individual or joint accounts, the member authorizes the Credit Union to transfer funds from another account to cover an insufficient item. Services and fees for these transactions are shown in the document the Credit Union uses to capture affirmative consent for one-time debit card or ATM Transactions and the Truth-in-Savings Fee Schedule.

Except as otherwise agreed in writing, if the Credit Union exercises its right to use discretion to pay such items that result in an insufficiency of funds in a member's account or exercises the right to repass an item, the Credit Union does not agree to pay or to repass items in the future and may discontinue coverage at any time without notice. If the Credit Union pays these items or imposes a fee that results in a negative balance in an account, the member agrees to pay the outstanding amount, including any fees assessed, in accordance with the Credit Union's Overdraft Services or any other service the member may have authorized.

IX. How Transactions are Posted to Accounts

There are two types of transactions that affect member accounts: credits (deposits of money into an account) and debits (payments out of an account). It is important to understand how each is applied to accounts so that members know how much money they have and how much is available at any given time. This section explains generally how and when the Credit Union post transactions to accounts.

- **Credits:** Deposits are generally added to a member account when the Credit Union receives them. However, in some cases when members deposit a check, the full amount of the deposit may not be available at the time of deposit. Refer to the Funds Availability Policy Disclosure provided at the time of account opening for details regarding the timing and availability of funds from deposits.
- **Debits:** There are several types of debit transactions. Common debit transactions are generally described below. Keep in mind that there are many ways transactions are presented for payment by merchants and the Credit Union is not necessarily in control of when transactions are received. This is a general description of certain types of transactions. These practices may change and the Credit Union reserves the right to pay items in any order as permitted by law.
 - **Checks.** When members write a check, it is processed through the Federal Reserve system. The Credit Union receive data files of cashed checks from the Federal Reserve each day. The checks drawn on a member account are compiled from these data files and paid each day. The Credit Union processes the payments from low to high dollar value.
 - **ACH Payments.** The Credit Union receives data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments a member has authorized. ACH transactions for accounts are posted throughout the day in order of receipt from low to high dollar value.
 - **PIN-Based Debit Card Purchase Transactions.** These are purchase transactions using a debit card for which a merchant may require, or the member may elect, to enter their personal identification number (PIN) at the time of sale. These are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from the account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment.
 - **Signature-Based Debit Card Purchase Transactions.** These are purchase transactions using a debit card that are processed through a signature-based network. Rather than entering a PIN, the member typically signs for the purchase; however, merchants may not require a signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in the account when the authorization is completed. The “authorization hold” will reduce the available balance by the amount authorized but will not affect the actual

balance. The transaction is subsequently processed by the merchant and submitted to the Credit Union for payment. This can happen hours or sometimes days after the transaction, depending on the merchant, the associated payment processor or the nature of the authorization or purchase. These payment requests are received in real time throughout the day and are posted to the account when they are received.

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the card is presented for payment. For example, if a member uses their debit card at a restaurant, a hold will be placed in an amount equal to the bill presented; but when the transaction posts, it will include any tip that may have added to the bill. This may also be the case where the member presents their debit card for payment at gas stations, hotels and certain other retail establishments. The Credit Union cannot control how much a merchant asks the Credit Union to authorize, or when a merchant submits a transaction for payment.

For debit card transactions involving merchant authorization holds, there may be a delay between the hold being applied and the transaction posting to the account. During the delay, intervening transactions may impact the available balance in the account. It is important to keep in mind that the Credit Union checks the member's available balance both at the time the merchant's authorization request is received and again when the transaction settles and posts to the account. If the member's available balance and any existing Overdraft Protection(s) are insufficient to cover the amount of the merchant's authorization request, the Credit Union will decline the request. If the member's available balance and any existing Overdraft Protection(s) are sufficient to cover the merchant's authorization request, the request will be approved and an authorization hold in the amount of the request will be placed on the account. The transaction will be subsequently processed by the merchant and submitted to us for payment.

The following example illustrates how this works:

Assume the actual and available balances are both \$40, and the member uses their debit card at a restaurant to pay their bill totaling \$30. If the restaurant requests authorization in the amount of \$30, an authorization hold is placed on \$30 in the account. The available balance is only \$10, but the actual balance remains \$40. Before the restaurant charge is sent to the Credit Union for payment, a check that the member wrote for \$40 is presented for payment. Because the available balance is only \$10 due to the \$30 authorization hold, the account will be overdrawn by \$30 when the check transaction is posted to the member's account even though the actual balance is \$40. In this example, if the Credit Union pays the \$40 check utilizing Premium Overdraft Protection, the Credit Union will charge the member a fee for overdrawing their account as disclosed in the Truth-in-Savings Fee Schedule. The fee will also be deducted

from the account, further increasing the overdrawn amount. This is a general description of certain types of transactions. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law.

X. Understanding Account Balance

Accounts have two kinds of balances: the actual balance and the available balance. The actual balance reflects the full amount of all deposits to an account as well as payment transactions that have been posted to the account. It does not reflect checks written that are still outstanding or transactions that have been authorized but are still pending. The available balance is the amount of money in an account that is available for use. The available balance is the actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. The Credit Union uses the available balance to determine whether there are sufficient funds in an account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. Pending transactions and holds placed on accounts may reduce the available balance and may cause the account to become overdrawn regardless of the actual balance. In such cases, subsequent posting of the pending transactions may further overdraw an account and be subject to additional fees. The member should assume that any item which would overdraw their account based on the available balance may create an overdraft. The member may check their available balance online at www.georgiasown.org, at an ATM, by visiting a Credit Union branch or by calling (404) 874-1166.

There are several types of transactions on an account that is not included in the available balance. The member will not see the items reflected in their balance until they have posted to the account.

- When a check has been written but not presented for payment
- Automatic bill payments that have been scheduled but not yet sent
- Debit card transactions where the authorization hold has been released and the transaction has not yet been submitted to the account for posting, or where the authorization hold is not the amount of the actual final transaction (i.e., gas station transactions)

XI. Examples of Overdraft Fees for Insufficient Available Balance

Example 1 - If the member's actual balance and available balance are both \$100 and they swipe their debit card at a store for \$35, a hold is placed on the account and the available balance will be reduced to \$65. The actual balance is still \$100 because the transaction has not yet posted to the account. If a check that the member had previously written for \$75 clears through their account before the store charge is sent to the Credit Union for processing, the member will incur a Premium Overdraft Fee. This is because the available balance was \$65 when the \$75 check was paid. In this case, the Credit Union may pay the \$75 check and charge the member a Premium Overdraft Fee. The Premium Overdraft Fee will also be deducted from the member's account, further reducing their balance. If the actual balance and available balance are both \$150 and they swipe their debit card at a restaurant for \$50 and include a \$10 tip when they sign the slip, a hold is placed on the account excluding the tip of \$10 and the available balance will be reduced to \$100. If the member views their account online, they will observe a pending charge of \$50 and that will be evident in the difference between the actual and available balance. The tip amount is not included in the pending charge seen online. The actual balance is still

\$150 because the transaction has not yet posted to the account. The member then visits a surcharge free ATM and withdraws \$100. After that transaction, the actual balance is \$50 and the available balance is \$0. The Credit Union will pay the restaurant item of \$60 (\$50 + \$10 tip) when it posts to the account reducing the actual balance to a negative \$10 and the Credit Union may charge a Premium Overdraft Fee. The Premium Overdraft Fee will also be deducted from the member's account, further reducing their balance.

Example 2 - If the actual balance and available balance are both \$100 and the member transacts with their debit card at a gas station for \$50, there is a temporary hold placed on the account. At some retailers, the authorization/hold amount will be for an amount greater than the actual final purchase. In this example, the Credit Union will assume that the held amount is \$100. During the hold time period, the available balance is \$0 and the actual balance is \$100. If additional debit transactions, such as an ATM withdrawal, occur during the hold time period the member will incur a Premium Overdraft Fee. The Premium Overdraft Fee will also be deducted from the account, further reducing the balance. Once the transaction causing the hold, in this example \$50 in gas, is posted to the account the hold will be released.

Example 3 - If the actual balance and available balance are both \$100 and the member swipes their debit card at two different retailers for \$25 each, a hold is placed on the account and the available balance will be reduced to \$50. The actual balance is still \$100 because the transactions have not yet posted to the account. If an ACH item that the member had previously authorized for \$65 clears through the account before the store charges are sent to the Credit Union for processing, the member will incur a Premium Overdraft Fee. This is because the available balance was \$50 when the \$65 ACH item was paid. In this case, the Credit Union may pay the \$65 ACH item and charge a Premium Overdraft Fee. The Premium Overdraft Fee will also be deducted from the account, further reducing the balance.

XII. Impact of Holds

Sometimes funds in the member's account are not available to cover checks and other items. When the Credit Union determine that funds in an account are subject to a hold, dispute, or legal process, then these funds are not available to cover checks and other items. The Credit Union usually makes this determination once at the end of the day when processing items. Examples of holds, include deposit holds, holds related to cash withdrawals and authorization holds the Credit Union places on the account for debit card transactions.

Debit card transactions and related authorization holds may impact the member's available balance. It is important to know that the available funds may change between the time they authorize a transaction and when the transaction is paid. When the member's uses their debit card they authorize the merchant with whom they use their card or to whom they previously provided their information to ask the Credit Union to approve the transaction they want to make. At this time, in order for the transaction to go through, the Credit Union must promise the merchant to pay for the purchase upon the merchant's request.

A hold immediately reduces the amount of available funds in an account by the amount of the authorization request. If, while the hold is in place, the member does not have enough available funds in their account to cover other transactions they may have conducted (such as a check previously written), those items may overdraw the account or be returned unpaid. This may result in a Premium

Overdraft Fee on the debit card transaction if this happens. In most cases, the hold expires when the transaction is paid.

The amount being held is not applied to the debit card transaction or to any specific transaction. If the hold expires and the transaction has not been paid, the amount being held is returned to the available funds. After the hold expires, the Credit Union will determine whether there are sufficient funds available to pay the debit card transaction.

The member's debit card transaction is paid when the merchant presents it to the Credit Union for payment – that is, when the merchant asks the Credit Union to transfer the funds from the member's account to the merchant. It is important to note that authorization and payment of debit card transactions do not occur simultaneously – there can be days between.

If other account activity has caused the funds available in an account to drop below zero before the debit card transaction is paid, the member may no longer have sufficient funds to pay the merchant. If that occurs the debit card transaction will overdraw the account because the Credit Union must honor the promise to pay the merchant.

XIII. Financial Education

The Credit Union believes that financial literacy and education helps members make informed decisions. Heightened awareness of personal financial responsibility helps members realize the benefits of responsible money management, understanding the credit process, and the availability of help if problems occur. www.MyMoney.gov is the federal government's website that serves as the one-stop for federal financial literacy and education programs, grants and other information. To request a personal financial toolkit, call 1-888- MyMoney.

As an additional resource for financial education, the GO financial education program has been made available to all Georgia's Own members free of charge through the financial wellness link on our website, www.georgiasown.org.

XIV. Membership and Account Agreement

The account agreement describes the duties, obligations, and rights of depositors, authorized signatories and Credit Union with regard to deposit accounts. That account agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. The account agreement and this disclosure shall be construed so as to minimize conflicts between them.

XV. Remedy

The member and the Credit Union agree that the exclusive remedy and forum for all disputes arising from the use of Overdraft Services or the member's or the Credit Union's performance thereunder, except for matters the member 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.

XVI. Waiver

This Agreement is governed by the Credit Union's bylaws, federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the State of Georgia, and local clearinghouse rules, as amended from time to time. As permitted under Federal law or the laws of the State of Georgia, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration shall be governed by the laws of the State of Georgia. The place of arbitration shall be Atlanta, Georgia. All other legal actions regarding this Agreement shall be filed and heard in the courts of Atlanta, Georgia, if allowed by applicable law. There shall be no right or authority for any claims arising out of this Agreement to be arbitrated or litigated on a class action basis.