

Discretionary Overdraft Tolerance Policy Disclosure

It is the policy of Houston Texas Fire Fighters Federal Credit Union to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The deposit account agreement and disclosure provided to you at the time you opened your account with us controls the duties, obligations and rights of the prime owner, joint owners, courtesy signers and Houston Texas Fire Fighters Federal Credit Union with regard to your checking share. The deposit account agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provisions of this Discretionary Overdraft Tolerance Policy and the deposit account agreement and disclosure. A copy of the deposit account agreement and disclosure is available to you upon request from your credit union.

Overdraft tolerance is not a line of credit; however, if you overdraw your account, we will normally pay the overdraft and the amount of the overdraft tolerance fee, subject to the limit of your overdraft tolerance. **The credit union charges an overdraft tolerance fee for each item paid that overdraws your account (see Rate and Fee Disclosure for current overdraft tolerance fee).** Houston Texas Fire Fighters Federal Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds, and any discretionary payment (or other negotiation or processing) by Houston Texas Fire Fighters Federal Credit Union to pay any additional non-sufficient fund check or checks does not obligate Houston Texas Fire Fighters Federal 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.

The discretionary overdraft tolerance will also be available towards electronic check presentments and debits through the Automated Clearing House (ACH). **Members will not have access to one time debit cards or ATM transactions unless they opt-in to the Debit Card Overdraft program. Additionally, the discretionary overdraft tolerance limit will not apply to any checks/ share drafts presented at Houston Texas Fire Fighters Federal Credit Union's teller windows or drive-thru lanes at any branch location.**

Houston Texas Fire Fighters Federal Credit Union's commitment is to always provide our members with the best level of member service, now and in the future. In order to use the Overdraft Tolerance, you must be age 18 or over and have a checking account in good standing which includes:

1. Depositing an amount in your account equal to or more than the amount of discretionary overdraft tolerance extended to you when a negative balance occurs and bringing the checking shares to a positive balance as soon as possible (not to exceed 30 days) to keep the checking shares in good standing and
2. You are not in default on any loan or other obligation to Houston Texas Fire Fighters Federal Credit Union and
3. You are not subject to any legal or administrative order or levy and
4. You have a good mailing address on file with Houston Texas Fire Fighters Federal Credit Union.



Then, Houston Texas Fire Fighters Federal Credit Union will consider, as a discretionary courtesy and not a right or obligation, approving your reasonable overdrafts. The tolerance will generally be limited to a maximum of a \$300.00 overdraft (negative) balance per checking share unless you have direct deposit of at least \$200 per month. In that case, the overdraft tolerance may be increased to \$500. **Some members may have the overdraft tolerance limit on more than one checking share; however, if and when any one of these checking shares exceeds the 30 day negative balance limitations, all checking shares will be removed from the overdraft tolerance program.** Any and all credit union fees and charges, including without limitation, the overdraft tolerance fees (as set forth in our Rate and Fee Disclosures) will be included in this limit.

If the checking share has an overdrawn (negative) balance for more than 30 consecutive days, the checking share will be deleted from the program. If the member makes a deposit to bring the checking share to a positive balance after 30 days, the checking share may be reenrolled in the program at the credit union's discretion.

The total of the discretionary overdraft tolerance (negative) balance, including any and all fees and charges, including all non-sufficient funds fees is due and payable upon demand, and the prime owner and each joint owner will continue to liable, jointly and severally, for all such amounts, as described in the deposit account agreement and disclosure.

Again, approval of payment of reasonable overdrafts by Houston Texas Fire Fighters Federal Credit Union on member checking shares in good standing (as described above), is only a discretionary courtesy, is not a right or obligation, is within Houston Texas Fire Fighters Federal Credit Union's sole and absolute discretion, and Houston Texas Fire Fighters Federal Credit Union can cease paying overdrafts at any time without prior notice of reason of cause.

Opt-out election: I acknowledge that I have read Houston Texas Fire Fighters Federal Credit Union's Discretionary Overdraft Tolerance Policy and have elected to opt-out of this service.

I understand that by opting-out, my overdrafts will not be paid. I understand that any time my checking shares are overdrawn I will be responsible for paying any NSF (non-sufficient funds) fees charged by the credit union plus any returned item fees charged by the payee that result from my overdrafts. I further understand the credit union will charge an NSF fee upon each re-presentation of an item where sufficient funds are not available to pay the item.

Print Member Name: _____

Member Number: _____

Member Signature: _____

Processed by: _____

