

## **DISCRETIONARY OVERDRAFT PRIVILEGE POLICY**

It is the policy of Pearl Hawaii Federal 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 Electronic Funds Transfers Agreement and Disclosure 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 Pearl Hawaii Federal Credit Union with regard to your checking account. The Membership and Account Agreement and Electronic Funds Transfers Agreement and Disclosure (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Overdraft Privilege Policy and the Membership and Account Agreement and Electronic Funds Transfers Agreement and Disclosure. A copy of the Membership and Account Agreement and Electronic Funds Transfers Agreement and Disclosure is available to you on request from any Pearl Hawaii Federal Credit Union location.

Overdraft privilege is not a line of credit. However, if you 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 fee (as set forth in our Schedule of Fees). Pearl Hawaii 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 Pearl Hawaii Federal Credit Union of an overdraft item does not obligate Pearl Hawaii Federal Credit Union to pay any other overdraft item, or to provide prior notice of its decision to refuse to pay such item.

Our discretionary overdraft privilege policy allows us to authorize payment for the following types of transactions regardless of whether your checking account has sufficient funds: (1) share drafts/checks and other transactions made using your checking account, (2) automatic bill payments; (3) and ACH transactions. For ATM and one-time debit card transactions, you must affirmatively consent to such coverage. Without your consent, Pearl Hawaii Federal Credit Union may not authorize and pay an ATM or one-time debit card transaction that will result in insufficient funds in your account.

Should you affirmatively consent to have Pearl Hawaii Federal Credit Union authorize and pay an ATM or one-time debit card transaction that results in insufficient funds in your account, we will send you written confirmation of consent. You have the right to revoke this consent at any time. We also offer overdraft protection plans, such as a link to a savings account or overdraft line-of-credit, which may be less expensive than our standard discretionary overdraft privilege practices.

Pursuant to Pearl Hawaii Federal Credit Union's commitment to always provide you with the best level of service, now and in the future, if you maintain your consumer account (primarily used for personal and household purposes) 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 Pearl Hawaii Federal Credit Union and
- C) Not being subject to any legal or administrative order or levy

Pearl Hawaii Federal Credit Union will have the discretion to pay overdrafts within the overdraft privilege limits, but payment by Pearl Hawaii Federal Credit Union is a discretionary courtesy and not a right of the member or an obligation of Pearl Hawaii Federal Credit Union. This privilege for consumer checking accounts will generally be limited to a maximum of \$500.00 overdraft (negative) balance. Of course, any and all fees and charges, including without limitation the NSF and/or overdraft fees (as set forth in our Schedule of Fees), will be included as part of this maximum amount.

The total of the discretionary overdraft privilege (negative) balance, including any and all fees and charges, including all NSF and/or 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 Electronic Funds Transfers Agreement and Disclosure with a maximum repayment period of 30 days.

Again, while Pearl Hawaii Federal 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 Pearl Hawaii Federal Credit Union and Pearl Hawaii Federal Credit Union in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.