



OVERDRAFT PROTECTION PROGRAM OVERVIEW

Rally Credit Union (Credit Union) provides *Courtesy Pay* as a discretionary service for our checking account holders who maintain their accounts in good standing. To provide excellent member service, we will strive to pay items presented on your account against insufficient funds. Items are paid with the expectation that an immediate deposit will be made to bring the account to a positive balance. One-time payment of items into overdraft does not guarantee that items presented in the future will be paid.

- **You are NOT required to have this service on your account** - You may opt-out of *Courtesy Pay* at any time by contacting us via phone at 361-986-4500/800-622-3631, via email at info@rallycu.com or by visiting one of our branches. Opting out of *Courtesy Pay* means that we may return items presented against insufficient funds and may assess applicable insufficient funds charge per our current fee disclosure. Members who receive Social Security, federal direct deposit or any other entitlement benefit must opt-out if they do not want the Credit Union to apply those funds to pay an overdraft.
- **The payment of overdrafts is not guaranteed** - We will strive to pay your overdraft items when presented against insufficient funds, however, whether your overdrafts will be paid is discretionary and not guaranteed. Payment of items into overdraft is based on the handling of your accounts and the expectation that you will continue to make deposits consistent with your past practices.
- **You may be charged an insufficient funds charge for each insufficient item paid into overdraft** - You may also be charged an insufficient funds charge each time an item is presented against insufficient funds. When more than one overdraft item is presented and paid, multiple insufficient funds charge may be charged per our current fee disclosure.
- **Payment of items into overdraft is done so with the understanding that you will be making an immediate deposit to return your account to a positive balance.** If your account balance remains consistently overdrawn or we believe that you are not managing your account in a responsible manner, we may not be able to strive to pay items presented against insufficient funds. Items presented may be returned and applicable insufficient funds charge assessed per our current fee disclosure.
- **Checking accounts that remain overdrawn more than 60 days may be closed and/or charged off.** Closed and/or charged off accounts may be reported to national credit reporting agencies which may have a negative impact on your ability to open future banking relationships.

Overdraft Protection Options - The Credit Union offers other less expensive ways to manage your account with respect to overdrafts. Please contact us via phone at 361-986-4500/800-622-3631, via email at info@rallycu.com or by visiting one of our branches if you would like to discuss other ways to manage your account relationship with us.

Product/Service	Description	Cost
Transfer from another account	If you have other accounts with us, you can authorize us in advance to transfer the funds needed to cover overdrafts.	\$5 per transfer

Overdraft Program and Good Standing – This is a discretionary service of the Credit Union. Any account holder who holds an eligible account type at the Credit Union and is in good standing will be covered by our service. You will be in good standing if:

- **You make regular deposits consistent with your past practices;**
- **You keep current on loan obligations with the Credit Union;**
- **You do not have a charged off loan or account;**
- **You do not have a current bankruptcy;**
- **Your account is not subject to legal action or restrictions (i.e. garnishments, liens, etc.); and**
- **If any items have been paid into overdraft, the account has been brought back to an end of day positive balance at least once within 30 days.**

Financial institutions are encouraged to ensure their account holders have the ability to repay overdrawn balances. Therefore, we have opted to utilize an automated system based on a set of rules that performs a daily evaluation of all accounts to determine whether the account has the ability to repay an overdrawn balance and, if so, how much. Any dollar limit that we provide to you is subject to change based on changes in account activity or good standing.

We do not guarantee that we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, the transaction will be declined. The Credit Union is not obligated to pay overdrafts for any account even if we have paid them in the past. In addition, transactions will not be paid into overdraft in any month in which the account is not in good standing.

Transactions eligible for *Courtesy Pay* coverage include:

Checks

ACH transactions

Pre-authorized transactions

ATM transactions *

One Time Debit Card transactions*

***ATM/One Time Debit Card Transactions** - ATM and one time debit card transactions require that you authorize us to strive to pay those transaction types. If you have authorized us to strive to pay those transaction types, insufficient funds charge may be assessed for items paid into overdraft. You may opt out of coverage on one time debit card and ATM transactions at any time by contacting us via phone at 361-986-4500/800-622-3631, via our website www.rallycurewards.com or by visiting a branch.

Payment Order of Items – We pay the smallest items first. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item for insufficient funds. An insufficient funds charge will apply if paid or returned.

Your checking account has two kinds of balances – Actual Balance and Available Balance. We use the Available Balance when determining whether a transaction will cause your account to overdraw and for charging overdraft fees. The Available Balance takes into account holds that have been placed on deposits and pending transactions (such as pending debit card transactions) that we have authorized but have not posted to your account.

Financial Education – We believe that financial literacy and education helps consumers make informed decisions. Awareness of personal financial responsibility allows consumers to realize the benefits of responsible money management, understand the credit process and the availability of help if problems occur. Please visit our website, <https://www.rallycu.com/about/member-resources/financial-literacy> for more information.

Account Management - The Credit Union provides the following for ongoing account management:

- Mobile Banking – including text notification for balance and transaction
- Online Banking – including “e-statements and “e-notifications”
- Bank by Phone – Banking over the phone – 361-986-4555/800-622-3641

Please contact us via phone at 361-986-4500/800-622-3631, via email at info@rallycu.com or by visiting one of our branches for more information on account management options.

Checking Account Agreement - Your account agreement describes the duties, obligations, and rights of depositors, authorized signatories and the Credit Union with regard to your 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. Your account agreement and this disclosure shall be construed so as to minimize conflicts between them.

Waiver: The Credit Union’s forbearance from, or delay in, exercising any of the Credit Union’s rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Credit Union’s rights, remedies or privileges.

Remedy: You and the Credit Union agree that the exclusive remedy and forum for all disputes arising out of *Courtesy Pay* or your or the Credit Union’s performance there under, except for matters you or the 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.

Effective Date - All information listed in this disclosure is effective January 10, 2023. The overdraft policy change may impact the way we handle your overdraft protection in the future. They include the following:

- Your overdraft limit may change daily
- Your overdraft limit may be lower than previous fixed limit
- Your overdraft limit may be reduced to \$0