

Southbridge Credit Union
Overdraft Privilege Service Policy

It is the policy of Southbridge 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 Disclosures 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 Southbridge Credit Union with regard to your share draft account. The Membership and Account Agreement and Disclosures (and all amendments thereto) and their terms shall control any possible conflict, if any, between any provision of this discretionary Overdraft Privilege Policy and the Membership and Account Agreement and Disclosures. Copies of the Membership and Account Agreement and Disclosures are available to you upon request from any Southbridge Credit Union employee and on our website, www.SouthbridgeCU.com.

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 fee. Southbridge 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 Southbridge Credit Union of an overdraft share draft (or items, such as ATM withdrawals) does not obligate Southbridge Credit Union to pay any other overdraft share draft (or item), or to provide prior notice of its decision to refuse to pay such share draft (or item).

Pursuant to Southbridge Credit Union's commitment to always provide you with the best level of service, now and in the future, our Overdraft Privilege in which we will strive to pay check and auto draft items for you when funds are not available in your share draft account. When a share draft account has insufficient funds, an overdraft charge is charged for every non-sufficient fund item whether the item is paid or returned unpaid. It is the obligation of the institution to operate in accordance with all safety and soundness standards. Therefore, a continual evaluation of all accounts is performed to determine if it is financially sound to honor items that may cause an overdraft situation for a particular account. The account criteria evaluated are:

- Age of Account
- Deposits Balances
- Deposit Regularity
- Previous Overdraft Activity
- Account Status relating to any legal or administrative order or levy
- Status of Loan Obligations with the institution

We can extend this account feature to your everyday debit and ATM transactions with your acknowledgment. If you choose to request this service and funds do not exist in your account, we will strive to pay those everyday debit purchases and ATM transactions. If we do need to cover an item for you, you would be charged an overdraft charge per transaction that overdraws your account.

Southbridge Credit Union will have the discretion to pay overdrafts within the overdraft privilege limits, but payment by Southbridge Credit Union is a discretionary courtesy and not a right of the member or an obligation of Southbridge Credit Union. Of course, any and all fees and charges, including without limitation the overdraft charge fees (as set forth in our Schedule of Fees, Membership and Account Agreement and Disclosures), will be included as part of the overdraft privilege amount.

The total discretionary overdraft privilege (negative) balance, including any and all fees and charges, including all overdraft charge 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 Disclosures with a maximum repayment period of forty-five (45) days.

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

If the account holder would prefer that the institution not honor any items when there are not sufficient funds in the account, the account holder may opt out of this discretionary service by contacting the institution and expressing this preference. The account holder is fully aware that without this discretionary service or some other form of overdraft protection, such as an account transfer, any items presented that overdraw the account may be returned unpaid with the applicable overdraft charge fee charged to the account for each item.