

**Southbridge Credit Union**  
**Discretionary Overdraft Privilege 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](http://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, if you are at least 18 years of age and if your consumer account (primarily used for personal and household purposes) has been open for at least sixty (60) days, and thereafter you maintain your account 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 one business day;
- B) Not being in default on any loan or other obligation to Southbridge Credit Union and;
- C) Not being subject to any legal or administrative order or levy.

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. This privilege for consumer share draft or share accounts will generally be limited to a maximum of \$500 overdraft (negative) balance. Of course, any and all fees and charges, including without limitation the non-sufficient funds fees (as set forth in our Schedule of Fees, Membership and Account Agreement and Disclosures), will be included as part of this maximum amount.

The total discretionary overdraft privilege (negative) balance, including any and all fees and charges, including all non-sufficient funds/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 Disclosures with a maximum repayment period of thirty (30) 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.