



## Discretionary Overdraft Security Disclosure

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. An overdraft (overdraft/negative available balance) may result from the payment of checks, electronic funds transfers, or other withdrawal requests you initiate; payments authorized by you; the return of unpaid items deposited by you; charging your account for our applicable service charges and fees; or the deposit of items to your account which, according to our Funds Availability Policy are treated as not yet "available" or "finally paid" when the balance in the account is not sufficient to pay the items ("Insufficient Funds").

We can cover your overdrafts in two different ways:

1. We provide **Overdraft Protection** with a link to your Share Savings that is included at no additional cost with your checking account. To learn more, see below or ask us about this feature.
2. We offer an overdraft protection plan called **Overdraft Security**.

**Overdraft Protection.** Overdraft Protection takes available funds (those above your required balance of \$25) from your Share Savings Account and automatically transfers the exact amount needed to cover your transaction to your checking account. There is NO FEE for this and transfers can occur as often as needed. All checking account holders have Overdraft Protection. If you do not want this service, please contact us to have the transfer link removed.

**Overdraft Security.** With the Overdraft Security protection plan, we may pay checks, Point-of-Sale (POS) Debit Card transactions, Automated Teller Machine (ATM) withdrawals, and Automated Clearing House (ACH) transactions presented against your checking account when you do not have enough money available in your account to cover the transaction(s). You must be at least 18 years of age and a Member for 90 days to qualify for the service. You also must have no delinquencies or legal orders against your Southern Security accounts in order to qualify.

If you qualify for this discretionary overdraft security plan, you are automatically enrolled. After your account is opened, an analysis is performed on your account to determine if you qualify. This includes, but is not limited to, credit report information, age of the account, deposit balances, deposit frequency, and previous overdraft activity. Notwithstanding the foregoing, we are not obligated to pay any item initiated for payment against your account if your account does not contain a sufficient available balance to pay the items. Upon enrolling in the Overdraft Security, rather than automatically returning, unpaid, all items that are presented for payment when there are Insufficient Funds to pay the items, as a discretionary service to you and to help avoid the significant fees that may be charged by third parties for unpaid items, Southern Security may, in its sole discretion, pay your items and create an overdraft in your account. Overdraft Security does not apply to ATM transactions and one-time check card purchases unless you Opt-In to include these transactions. If you Opt-In, Overdraft Security protection will apply to ATM transactions and one-time debit card purchases.

If you are enrolled in Overdraft Security and your checking account does not have sufficient funds to cover a transaction, Southern Security will first attempt to pay for the transaction at no charge using the Overdraft Protection Savings Transfer, provided it has sufficient funds available, before using Overdraft Security. To determine whether a transaction may cause an overdraft, it is important to understand that your checking account has two kinds of balances: the Available Balance and the Account Balance.

- a. Available Balance indicates the amount of funds currently available for withdrawal or use at that moment. The Available Balance does not include any pending transactions that have been authorized but may not yet have been processed (posted) such as debit card POS transactions on hold. It also does not include any funds or deposits with holds on them.
- b. Account Balance is the total amount in the account including funds on hold for transactions that have not yet posted or deposits being held for any reason.

Available balance **at the time transactions are posted (not when they are authorized)** may be used to determine when your account is overdrawn. The following example illustrates how this works:

Assume your Account Balance and Available Balance are both \$100, and you swipe your debit card at a restaurant for \$60. As a result, your available balance will be reduced by \$60 so your available balance is only \$40. Your account balance is still \$100. Before the restaurant's charge is sent to us for posting, a check that you wrote for \$50 clears. Because you only have \$40 available...your account will be overdrawn by \$10, even though your account balance was \$100 before the check posted. Also, when the \$60 restaurant charge is presented to Southern Security and posted to your account, you will not

have enough money in your available balance because of the intervening check, and you will be charged a fee for that transaction as well, even though your available balance was positive when it was authorized.

This is why it is very important to be aware of all transactions on your account and to ensure that there are sufficient funds to cover all transactions to avoid any NSF or Overdraw NSF fees. Digital banking services at **SouthernSecurity.org** and the mobile app can help you keep track of your balance.

We may refuse to pay an overdraft for you at any time, even though your account is in good standing and even though we have previously paid overdrafts for you. Our Discretionary Overdraft Security does not constitute an actual or implied agreement or obligation between you and us to pay any items that may overdraw your account. Overdraft Security represents a courtesy or privilege that we may provide to you from time to time and which may be withdrawn or withheld by us at any time without prior notice or reason or cause. The amount of available overdraft coverage, if any, may fluctuate from month to month based on criteria.

The amount of your Overdraft Security protection can change monthly based on your account activity the previous month.

- \$2000 limit requires a minimum direct deposit to the account of \$8000 per month.
- \$1000 limit requires a minimum direct deposit to the account of \$4000 per month.
- \$500 limit requires a minimum direct deposit to the account of \$2000 per month.
- \$200 limit requires a minimum direct deposit to the account of \$800 per month.

Transaction types that are eligible for Overdraft Security include and are limited to: ACH transactions, Drafts, ATM withdrawals and Debit Card transactions. Member must opt in to have ATM and one-time Debit Card transactions covered.

Our normal fees and charges including, without limitation, our non-sufficient funds (NSF) or overdraft (Overdraw NSF) fees, as set forth in our Fee Schedule, will be charged for each transaction (potentially multiple times if the transaction is presented for payment more than once), including ATM withdrawals and everyday debit card transactions, if you opt-in, initiated for payment from your checking account that does not have a sufficient available balance before adding funds through Overdraft Security. There is no limit to the number of NSF or Overdraw NSF fees that you may incur per day and you may incur multiple NSF fees per transaction if the transaction is presented multiple times and you have Insufficient Funds in your account. Typically, we will charge our normal NSF for items that we return or an Overdraw NSF if we approve an overdraft item for payment. We will not assess an Overdraw NSF if the transaction(s), if paid, will overdraw the available balance of your account by \$5.00 or less. However, if the transaction(s), if paid, will overdraw the available balance by more than \$5.00, we will assess an Overdraw NSF for each transaction.

If you would prefer that we not honor any items when the available balance of your account is not sufficient to pay items, you may decline this discretionary Overdraft Security by contacting us and expressing this preference and completing an Overdraft Security form. Even if you instruct us not to authorize an overdraft, there are circumstances when we will pay an NSF item and create an overdraft, such as when you request that we do so as to a specific item, when an item that is credited to the account is subsequently returned unpaid, payment of fees related to the account that have been disclosed, entries made to correct account errors, or other circumstances when we are obligated to pay an item. You are fully aware that without this discretionary service or some other form of overdraft protection, any items presented that would overdraw the account if paid may be returned unpaid with the applicable NSF fee charged to the account for each item.

Overdraft Security is not a loan or a line of credit and must be repaid promptly. Should the account remain overdrawn beyond 30 days of the initial transaction posting, Overdraft Security privileges will be revoked temporarily. The failure to deposit funds to bring the account to a positive balance may result in the overdrawn balance being charged off as a loss which may affect your credit history. Such action could also result in the checking account being closed and restriction of your membership privileges.

This is not the only circumstance under which Overdraft Security may be terminated, and Southern Security reserves the right to revoke Overdraft Security privileges, permanently or temporarily, at any time and to deny the payment of any transactions without prior notification. If a member has had Overdraft Security rescinded by Southern Security FCU, the member can request to be re-instated after six months. A primary or joint may Opt-In or Opt-Out for the service and the decision applies to all signors on the account.

If you want to authorize us to pay overdrafts under the Overdraft Security protection program, review this disclosure and complete the following form, "What You Need to Know about Overdrafts and Overdraft Fees" to let us know your wishes on paying overdrafts on your account.

You have the right to revoke your consent by opting out of Overdraft Security at any time requesting to Opt-Out of Overdraft Security. Contact us at 800-633-4128 or online at **SouthernSecurity.org**.

765 West Poplar Ave, Collierville, TN 3801 | PO Box 310, Collierville, TN 38027 | 901.452.7900 | 1.800.633.4128

**Please complete the application here, then print it out, sign and return to Southern Security.**

**What You Need to Know about Overdrafts and Overdraft Fees**

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account.
2. We also offer an overdraft protection plan, a link to your savings account, which is free.

This notice explains our standard overdraft practices.

**What are the standard overdraft practices that come with my account?**

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments (does not include My CU Bill Pay)

We will not authorize and pay overdrafts for the following type of transactions unless you ask us to (see below):

- ATM transactions
- Every day debit card transactions

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.

If we do not authorize and pay an overdraft, your transaction will be declined.

**What fees will I be charged if Southern Security pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of up to \$33 each time we pay an overdraft.
- There is no limit on the total fees we can charge you for overdrawing your account.

**What if I want Southern Security to authorize and pay overdrafts on my ATM and every day debit card transactions?**

If you want us to authorize and pay overdrafts on ATM and every day debit card transactions, complete the form below and return to any Southern Security location or mail to PO Box 310, Collierville, TN 38027.

- Yes, I want Overdraft Security and Southern Security to authorize and pay overdrafts on my ATM and every day debit card transactions.
- No, I do not want/no longer want Southern Security to authorize and pay overdrafts on my ATM and every day debit card transactions.
- I do not want/no longer want Overdraft Security and do not want Southern Security to authorize and pay overdrafts on my account.

_____ Signature	_____ Date
_____ Print Name	_____ Account Number

*For office use only:*     Phone     Office     Mail    Staff \_\_\_\_\_    Teller # \_\_\_\_\_    Date \_\_\_\_\_