

South Jersey Federal Credit Union **Discretionary Overdraft Privilege Policy**

It is the policy of South Jersey 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 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 South Jersey Federal Credit Union with regard to your checking account. The Membership and Account Agreement (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. A copy of the verbiage contained in the Member and Account Agreement is available to you upon request from South Jersey Federal Credit Union.

Overdraft Privilege is not a line of credit. However, if you overdraw your account, we will normally pay the overdraft, subject to the limit of your Overdraft Privilege and the amount of the overdraft fee. South Jersey Federal Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds, and any discretionary payment (or other negotiation or processing) by South Jersey Federal Credit Union of any non-sufficient fund check or checks (or other item) does not obligate South Jersey Federal Credit Union to pay any additional non-sufficient fund check or item or to provide prior notice of its decision to refuse to pay any additional non-sufficient fund check or item.

Pursuant to South Jersey Federal Credit Union's commitment to always provide you with the best level of member service, now and in the future, if your account has been open for at least six months, and thereafter you maintain your account in good standing, which includes at least:

- A) Depositing an amount equal to the amount of discretionary Overdraft Privilege extended to you, or more, in your account within each thirty (30) day period; and bringing your account balance to a positive balance within every thirty (30) day period;
- B) You are not in default on any loan or other obligation to South Jersey Federal Credit Union, and
- C) You are not subject to any legal or administrative order or levy, and
- D) You do not have the Overdraft Privilege on another account.

South Jersey Federal Credit Union will normally pay overdrafts within the Overdraft Privilege limits, but payment by South Jersey Federal Credit Union is a discretionary courtesy and not a right or obligation. This privilege for checking accounts will generally be limited to a maximum of \$300 or \$500 overdraft (negative) balances. Of course, any and all fees and charges, including without limitation the non-sufficient funds fees (as set forth in our fee schedules and deposit account agreement and disclosure), will be included in addition to this maximum amount.

The total of the 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.

Again, while South Jersey Federal Credit Union will typically pay overdrafts on accounts in good standing (as described above) payment is a discretionary courtesy, and not a right or obligation, and South Jersey Federal Credit Union in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.