OVERDRAFT PRIVILEGE COVERAGE OVERVIEW

An overdraft limit is the maximum dollar amount for which we will honor items that overdraw your account. Any overdrafts that exceed your overdraft limit may not be honored by us. Any items that are presented that exceed your overdraft limit may be declined or returned. To provide excellent member service, we will strive to pay items presented on 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. An overdraft limit is the maximum dollar amount for which we will honor items that overdraw your account. Any overdrafts that exceed your overdraft limit may not be honored by us. Any items that are presented that exceed your overdraft limit may be declined or returned.

An automated system performs a continual evaluation of all accounts to determine an overdraft limit based on algorithms, or a set of rules, that weigh numerous factors and account holder behaviors including an account holder's usage patterns or relationship with us to assess an account holder's ability to repay an overdrawn balance.

- **Your overdraft limit may change as frequently as daily,**
- **Your overdraft limit may be lower or higher than your previous fixed overdraft limit, and**
- **Your overdraft limit may be reduced to $0.**

These factors may result in transactions that would overdraw your account being returned unpaid to merchants or other third parties due to insufficient available funds and may also result in fees being imposed by those merchants or other third parties. Any dollar limit that we provide to you is subject to change based on the rules the automated system uses to set your overdraft limit.

To help you avoid spending more than you have in your account, which may result in overdrafts and fees, we have tools to help you manage and keep track of your checking account balance and activity. These tools may be found by logging into online banking (WEB-24) or mobile application services, calling telephone banking (CALL-24) at 1-833-985-6339, or by calling a representative at 361-985-6810.

We wish to inform you about the options available to you in the event sufficient funds do not exist in your checking account to cover a purchase or transaction. When an account has insufficient funds, an insufficient funds ("NSF") fee of $25.00 is charged for every check, draft, transaction, or other item that is returned.

We have several ways that transactions can be covered where there are insufficient funds:

1) **We can set up an Account Transfer from a savings, money market or separate checking account, and funds will be transferred to cover the transaction that would overdraw your checking account. There is a $5.00 fee for each transfer.**

2) **We also have our Overdraft Privilege Coverage program in which we will strive to pay ACH debit, check, bill pay and recurring debit card items for you when funds are not available in your account as a service to you. When an account has insufficient funds and we pay (cover) an item for you, a $25.00 fee is charged. This is in place of, and not in addition to, any NSF fee that otherwise may be due.**

In addition to ACH debit, check, bill pay and recurring debit card transactions, we can extend the Overdraft Privilege Coverage feature to your everyday debit card and ATM transactions with your consent after reviewing a specific document describing this coverage and opting-in to this service. If you choose to request this service and your available balance is not sufficient to cover a transaction, we may pay those everyday debit card purchases and ATM transactions. If we do cover one of these transactions for you, you will be charged $25.00 per transaction that overdraws your account which we cover.

Financial institutions are required to operate in accordance with safety and soundness standards and are encouraged to ensure that their account holders have the ability to repay overdrawn balances before paying items that overdraw your account. Therefore, we have opted to utilize an automated system based on algorithms, or a set of rules, that performs a daily evaluation of all accounts to determine whether the account appears to have the ability to repay an overdrawn balance and, if so, how much.

The software weighs numerous variables, including but not limited to:

- **Age of Account**
- **Deposit Amounts**
- **Deposit Regularity**
- **Previous Overdraft Activity and Repayments**

- **Account Status**
- **Status of Loan Obligations**

We are not obligated to pay any items presented for payment if the account does not have sufficient funds, determined by using your available balance. The automated system sets an overdraft limit based on analysis of your ability to repay, but we reserve the right to pay or return individual transactions in our discretion. In general, however, we strive to pay your items if they total less than the unused amount of your system-generated overdraft limit. The overdraft limit may change as frequently as daily, between a range of $0 and $1,750 for consumer accounts and up to $3,500 for business accounts.

When our system sets an overdraft limit of $0 for your account, that does not necessarily mean that your transaction will not be paid into overdraft, because we may pay or return items in our discretion. However, a $0 limit does substantially increase the likelihood that we will not process an overdraft against insufficient funds. An overdraft limit of $0 on a given day also does not mean that you have been removed from the Overdraft Privilege Coverage program, because as long as you are eligible for the overdraft program, the system will continue to evaluate your account each day and may increase the limit above $0 on any day. Only if you have been removed from program eligibility will the limit not increase above $0. As it would with any item that is not paid because of insufficient funds, a limit of $0 or removal from program eligibility may result in transactions being returned unpaid to merchants or other third parties due to insufficient funds and also may result in fees being imposed by those third parties. If you have been removed from program eligibility and are later determined to again be eligible for Overdraft Privilege Coverage, then you will need to review a specific document describing this coverage and opt-in to the service.

Paying an item into overdraft is discretionary, and we do not guarantee that we will cover (pay) any item presented against insufficient funds. Furthermore, the occurrence of service charges assessed against items presented against the account does not obligate us to pay items in the future and does not obligate us to provide prior written notice of the decision to refuse payment.

Your Overdraft Privilege Coverage limit may change daily and may change between the time you make a transaction and the time it is presented for payment. It is important to remember that if we provide the amount of the limit to you, this limit does not equate to your amount of purchasing power. In other words, the limit does not reflect the amount of money you have available in your account and should not be relied on to ensure transactions will be paid. Aside from the discretionary nature of the program, factors such as your changing account balance, posting order of transactions or deposits, or an already-overdrawn balance may result in a transaction being declined or returned unpaid. You should keep careful track of your account balance and activity to avoid overdrafts.

Overdraft Privilege Coverage is not a loan. Pursuant to the Membership Agreement, you are responsible for immediately repaying the amount of any overdraft balance and applicable fees. This means you must bring your account to a positive balance immediately after an overdraft without notice or demand from us. Subsequent deposits will be applied to clear the overdrawn balance.

If you would prefer that we not pay any items that exceed your available balance you may opt out of the Overdraft Privilege Coverage program by contacting us and telling us your preference. Because holds and pending transactions reduce your available balance, they may cause you to overdraw your account and incur overdraft fees even if you opt out of the Overdraft Privilege Coverage program. You may contact us by phone at (361) 985-6810, by email at fsp@mycoastlifecu.com, by mail at 6810 Saratoga Boulevard, Corpus Christi, TX 78414 or by speaking with one of our representatives at one of our locations. Without this discretionary service or some other form of overdraft protection, such as an account transfer, any items presented that would overdraw the account may be returned unpaid with any applicable NSF fee charged to the account for each item. This also may result in fees being imposed by merchants or other third parties.

The Membership Agreement prescribes our respective duties, obligations and rights, as well as those of the Authorized Signatories with regard to your account. It contains important additional information relevant to overdraft, such as our funds availability policy and posting order of transactions. The terms of the Membership Agreement supersede this overdraft policy in any potential conflict of terms.