

NorthCountry Federal Credit Union
Discretionary Overdraft Privilege Disclosure

It is the policy of NorthCountry Federal Credit Union to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The new membership packet 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 NorthCountry Federal Credit Union with regard to your checking account. The Membership and Account Agreement, Electronic Funds Agreement, and Truth in Savings disclosures (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 new member packet disclosures. A copy of the new member packet is available to you on request from your NorthCountry Federal Credit Union officer.

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. NorthCountry Federal Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Your checking account has two kinds of balances: the current (or "actual" balance) and the available balance. The available balance is the one that determines whether a transaction will overdraw your account and whether overdraft fees will be assessed. Both balances can be reviewed online, at an ATM, by phone, or at a branch. Any discretionary payment by NorthCountry Federal Credit Union of an overdraft check (or item, such as an ATM withdrawal) does not obligate NorthCountry Federal Credit Union to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

Pursuant to NorthCountry Federal Credit Union's commitment to always provide you with the best level of service, now and in the future, if your consumer account (primarily used for personal and household purposes) has been open for at least thirty (30) days, or if your commercial account has been open for at least thirty (30) days, and thereafter you maintain your account in good standing, which includes at least:

- A. Not being in default on any loan or other obligation to NorthCountry Federal Credit Union,
- B. Not being subject to any legal or administrative order or levy, and
- C. Bringing your account to a positive balance within every fifteen (15) day period for a minimum period of 24 hours,

NorthCountry Federal Credit Union will have the discretion to pay overdrafts within the Overdraft Privilege limits, but payment by NorthCountry Federal Credit Union is a

discretionary courtesy and not a right of the member or an obligation of NorthCountry Federal Credit Union. This privilege for consumer checking or savings accounts will generally be limited to a maximum of \$1,500 overdraft (negative) balance. This privilege for commercial accounts will generally be limited to a maximum of \$1,500 overdraft (negative) balance. Of course, any and all fees and charges, including without limitation the non-sufficient funds fees (as set forth in our fee schedules and deposit account agreement and disclosure), will be included as part of this maximum amount. It may be possible that your account will become overdrawn in excess of the Overdraft Privilege amount as a result of the assessment of a fee.

The total of the discretionary Overdraft Privilege (negative) balance, which includes 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 Deposit Account Agreement and Disclosure. Our standard Overdraft fee of \$25 will be imposed for overdrafts created by checks, ACH, ATM withdrawals, everyday debit card transactions, in-person withdrawals, or by other electronic means. If your account balance remains overdrawn for longer than 7 days, we may charge your account a sustained overdraft fee of \$5.00 for each of the consecutive business days the account remains overdrawn. Transactions may not be processed in the order in which they occurred, and the order in which transactions are received and processed may impact the total amount of fees incurred.

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

For our consumer members NorthCountry Federal Credit Union will not pay overdrafts for ATM or everyday debit card transactions after August 15, 2010 unless NorthCountry Federal Credit Union has provided you with the notice required by section 205.17(b) of Regulation E and you have opted in to the payment of these overdrafts. In order to avoid overdrafts due to ATM and everyday debit card transactions, NorthCountry Federal Credit Union will place a hold on your account for any ATM or everyday debit card transaction authorized until the transaction settles. ATM and everyday debit card transactions usually settle within two business days after the transaction is authorized. The amount of the hold will be for the amount authorized, or as permitted under applicable payment network rules. Holds on authorized ATM and everyday debit card transactions will be removed prior to settlement where required by applicable payment network rules.

In addition, for both consumer and commercial accounts, you may opt out of the Overdraft Privilege services for check, ACH and debit card bill payment transactions at any time by contacting one of our Member Services Representatives.