



Founders Privilege Disclosure

Overview of Overdraft Privilege Service (Founders Privilege)

Founders Privilege is a service which provides protection for your Checking Account. The service may be used to cover your eligible items when your available balance is insufficient. You should use your Checking Account responsibly and not intentionally overdraw your account; however, we realize financial shortfalls happen and offer overdraft protection services to ensure your eligible items are paid. Founders Privilege service is not a loan and is not subject to interest charges or late fees, however items paid are subject to fees. Please read this entire disclosure to understand this service, including how items are paid and how fees are assessed. The Credit Union may change the terms of this program or revoke the privilege at any time without notice.

Fees for Using this Service:

Service	Cost
Overdraft Protection Link from your Savings Account (s)	No cost per credit union initiated transfer.
Overdraft Protection Link from your Personal Line of Credit	Subject to interest and credit approval.
Overdraft Protection link from your Home Equity Line of Credit	Subject to interest and credit approval.
Founders Privilege	\$32.00 Overdraft Fee (Paid NSF) per item if the resulting overdrawn transaction is greater than \$5.00. \$5.00 Overdraft Fee (Paid NSF) per item if the resulting overdrawn transaction is between \$1.01 and \$5.00. NO Overdraft Fee (Paid NSF) per item if the resulting overdrawn transaction is \$1.00 or less.

With Founders Privilege, we will generally pay your overdraft items when paying them will not cause your available balance to go more than \$300.00 into the negative. We then assess the applicable fees even if that takes your account more than \$300.00 negative. However, payment of your overdraft items is at our discretion and **we reserve the right not to pay**. You must be a member in good standing to qualify for Founders Privilege, meaning you're 18 years or older, have no negative deposit balances or delinquent loans over 30 days, and your account must not be dormant. Each item paid through this service is subject to a fee as set forth in the above box.

Founders Privilege Services and Alternatives

Founders Privilege is one of three overdraft protection options and we encourage you to review all three before making a decision to use one of these services. You are not required to use any of our overdraft protection services. We may automatically grant you Founders Privilege service. You may also choose one of the other alternative services listed below.

1. Founders Privilege

Founders Privilege may be automatically granted to Checking Account holders or when the account has been opened for at least six (6) months. Founders Privilege can be used to cover written checks and preauthorized ACH debits. Founders Privilege can also be used to cover Visa Debit Card transactions conducted with a PIN or signature **ONLY if you have authorized us to pay such transactions in a separate agreement**. Each item paid using Founders Privilege is assessed a fee. Founders Privilege is not available for teller or ATM transactions.

2. Overdraft Protection Transfer

If you have other accounts with Founders Federal Credit Union, you can authorize us to set up an automatic transfer to move the funds needed to cover your overdraft. Visit one of our offices, foundersfcu.com or call 1-800-845-1614 for more information.

3. Optional Personal Line of Credit or Home Equity Line of Credit transfer

You may qualify for a Personal Line of Credit or Home Equity Line of Credit to cover overdrafts. This service requires you to complete an application and approval is based on your creditworthiness. Visit one of our offices, foundersfcu.com or call 1-800-845-1614 for applicable terms and conditions. Draws on your line of credit are a loan advance and are subject to interest charges and the terms of the loan agreement.

Founders Privilege Decline

You may never need to take advantage of Founders Privilege, but you may find it useful in the event of a temporary financial shortfall. If you do not want to take advantage of Founders Privilege, please call 1-800-845-1614 or visit a Financial Services Representative at an office near you to remove this benefit from your account. There is no fee to remove this benefit. If you remove this benefit you are instructing us to return any overdraft items unpaid. The Credit Union will charge the same insufficient funds (NSF) fee as set forth in the above box for checks and ACH transactions which are presented to us and we return. If a check or ACH transaction is presented and returned more than once an NSF fee will be charged for each item that is returned. We do not charge an NSF fee for certain declined debit card transactions if you have not authorized us to pay these transactions. Members who receive Social Security, federal direct deposit or any other entitlement benefit must remove this benefit if they do not want the Credit Union to apply those funds to pay an overdraft.

Eligibility

No application is required for Founders Privilege. Eligibility is at the sole discretion of the Credit Union and is based on you managing your Checking Account in a responsible manner. Your Founders Privilege service may be suspended or permanently removed at our discretion. Reasons may include but are not limited to:

- * You have an account that has been open less than 6 months and a credit score less than 550.
- * You do not bring your account to a positive balance within 30 days of becoming overdrawn.
- * Your account type is not eligible.
- * You are more than 30 days past due on any Credit Union loan or delinquent on any other obligations to the Credit Union. Your account has been modified through troubled debt restructuring.
- * You are subject to any legal or administrative orders or levies, or you are currently a party in a bankruptcy proceeding.
- * The primary account owner is under 18 years old.
- * Your account is classified as inactive/dormant.
- * You have an unresolved prior loss with the Credit Union.
- * We believe you are managing your account in an irresponsible manner which may harm you or us.

Transactions Eligible for Founders Privilege

Founders Privilege can be used to cover your checks, individually authorized ACH transactions and recurring ACH/Debit Card transactions. Founders Privilege can also be used to pay your one time/everyday Debit Card transactions **if you have authorized us to pay such transactions** in a separate agreement. ATM and branch transactions such as a cash withdrawal or the purchase of a negotiable instrument are not covered by Founders Privilege.

Accounts Eligible for Founders Privilege

Founders Privilege provides protection for personal Checking accounts, Second Chance Checking accounts, Share accounts, Money Market *Plus* accounts, business accounts, trust accounts, UGMA/UTMA accounts, nonprofit accounts, estate accounts, public funded checking accounts, member accounts under 18 years of age, and members with loans greater than 30 days delinquent are not eligible.

Obligation to Repay

You must bring your account to a positive balance within thirty (30) days of the overdraft. Failure to do so will result in account termination, our possible exercise of right to offset without prior notice, collection actions and negative credit reporting. Please contact us immediately if you are unable to pay your balance in full within the required timeframe. If we pay an overdraft on an account with more than one (1) owner, each owner is jointly and severally liable for such overdrafts and/or fees. The Credit Union reserves the right to apply any other or later deposits, including direct deposits, to pay your overdrafts or overdraft fees.

Minimize Fees by Monitoring Your Account

Founders Privilege is intended to provide protection to ensure your items are paid if you have a temporary financial shortfall or make an error such as forgetting to properly record a transaction in your account register. The best way to minimize NSF fees is to monitor your account balance and ensure you have sufficient funds at all times. Because there is a potential to have multiple items paid with an NSF fee, we offer many tools to help you monitor your account. These monitoring options do not incur a fee.

*Founders Online, Founders App & Founders Mobile

With Founders Online, the Founders App and Founders Mobile you can view account balances, recent transactions and account statements, perform transfers or set up transaction alerts. You can also utilize our text banking option to send commands to inquire on your basic account balance and transaction information. Visit foundersfcu.com to enroll and for more information.

*Call 24 Call 24 gives you 24-hour access to your financial records through your telephone. You can check account balances, review transaction history and transfer money between accounts. A separate agreement must be completed for this free service.

Of course, the best method is to keep an accurate account register. Our online, mobile, and phone banking systems may not know all your transactions. For example, our systems will not know if you have written a check that has not cleared yet. As another example, you may have used your Credit Union Debit Card at a merchant and the merchant transaction has not cleared yet.

Fees are Based on your Available Balance versus "Actual Balance"

Founders Privilege is triggered when we pay an item and you do not have a sufficient available balance to cover it.

Merchant Authorizations Reduce your Available Balance

We post Debit Card authorizations and settlements from merchants as we receive them and we cannot control when we receive them. Please also note some merchants may submit authorizations for more than the settlement amounts. For example, your local car rental agency may disclose to you they submit authorizations for \$500.00 before approving you to leave with the rental car. If your rental expense is only \$185.00 they only send a settlement for \$185.00. But the \$500.00 authorization reduces your available balance by that amount until we receive the corresponding settlement transaction. The most common transactions that generate authorizations for amounts which differ from settlement amounts are travel and entertainment transactions such as gas purchases, renting cars and holding hotel rooms. Generally, retail stores know the exact amount of their transactions when they first initiate your card transaction and send us authorizations and settlements for the same amount. You choose the merchants you do business with and if the car rental companies, hotels, and other merchants you use do not disclose their authorization policies or have unfavorable policies you may want to consider not using your Credit Union Debit Card with them.

Understanding Your \$300.00 Overdraft Limit

We generally cover your items that will not take your available account balance more than \$300.00 negative. We then assess the applicable fees even if that takes your account more than \$300.00 negative.

Payment Order of Items

The order in which items are presented may affect the fees assessed to your account. Most transactions are posted when you conduct them. The following transactions are generally posted real time or very near real time:

Transactions which are posted real time or very near real time to when you conduct them:
Transactions conducted at our teller counters such as deposits*, withdrawals, and cashing on-us checks.
Your ATM deposits* and withdrawals
Your debit card purchases conducted with a PIN
Authorizations (holds) for your debit card purchases conducted using the VISA network**
Transfers you conduct using Call 24
Transfers you conduct using Founders Online or Mobile Banking systems
*Note that funds availability rules apply and funds deposited on a real time basis may not be made available immediately. For example, checks you deposit may be subject to uncollected funds holds. See our funds availability disclosures and shared branching rules for details. **The corresponding settlements may lag hours or days based on when the merchants submit them. We post settlement transactions at the time we receive them.

For ACH entries and checks which are received in batch files, the Credit Union posts in the following manner

Transactions which are posted in batch items:
Posting of that day's ACH credits is followed by ACH debits, followed by checks
ACH debits are posted in the order they are received
Checks are posted in the order they are received

Account Agreement

Your Membership Agreement and Disclosures describes the duties, obligations, and rights of depositors, authorized signatories and the Credit Union with regard to your deposit accounts. That Membership Agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. Your Membership Agreement and this disclosure shall be construed so as to minimize conflicts between them.

Waiver

The Credit Union's forbearance from, or delay in, exercising any of the Credit Union's rights, remedies, privileges, or right to insist on your strict performance of any provisions of your Membership Agreement, this Founders Privilege disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Credit Union's rights, remedies or privileges.