

## **Courtesy Coverage Member Overdraft Disclosure**

There are several ways your account can become overdrawn, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you (i.e. debit card at point of sale); (3) the return of unpaid items deposited by you; (4) Carolina Trust Federal Credit Union service charges; or (5) the deposit of items which, according to the Carolina Trust's Funds Availability Policy, are treated as not yet available.

While we are not obligated to pay any item presented for payment if your account does not contain enough funds, as long as you maintain your account in "good standing," we may approve your overdraft items within your unused Courtesy Coverage limit as a non-contractual courtesy. For Courtesy Coverage consideration, your account is in "good standing" if you (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all Carolina Trust fees and charges); (2) avoid excessive overdrafts suggesting the use of Courtesy Coverage as a continuing line of credit; and (3) have no past due loan payments more than 30 days delinquent; and (4) have no legal orders, levies or liens against your account.

In the normal course of business, we pay transactions in the order in which they are received. If multiple checks are received during one day, checks are paid by check number. However, checks are often converted to electronic transactions which may post to your account more quickly, affecting the order in which they post. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, the order we pay your items may create multiple overdraft items during a single banking day and you will be charged our Paid Item Fee of \$29 for each overdraft item paid.

You may opt out of the privilege at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined limit assigned to your account. So as not to exceed your limit, remember that the amount of the overdraft plus the Credit Union's Courtesy Coverage fee of \$29 per item will be deducted from the Courtesy Coverage limit.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in good standing as defined above, or, if based upon our review of your account management, we determine that you are using Courtesy Coverage excessively or seem to be using Courtesy Coverage as a regular line of credit. You will be charged a Returned Item Fee of \$29 for each item returned. Returned items may be presented for payment by the payee or their financial institution multiple times, which may result in multiple Returned Item fees of \$29.

We have no obligation to notify you before we pay or return any item. The amount of any overdraft including our Paid Item Fee of \$29 and/or a Returned Item Fee of \$29 that you owe us is due and payable upon demand even if we do not ask you for payment. You must repay us no later than 30 calendar days after the creation of the overdraft. If there is more than one owner on the account, each

owner and agent, if applicable, shall be jointly and severally liable for all overdrafts including all fees charged.

Courtesy Coverage should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to manage your finances responsibly by keeping track of your account balance and reconciling it regularly. Balances provided do not include the Courtesy Coverage limit.

Your Courtesy Coverage limit may be available for each item created by checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic payment (ACH) transaction, automatic bill payment, or recurring debit card payment.

If you request us to do so (opt in), we may authorize ATM transfers or withdrawals and everyday debit card purchases by using your available balance and your Courtesy Coverage limit. Your balance at the time these transactions post will determine the overdraft status and the assessment of fees. Other transactions initiated by you, or a delay in processing authorized transactions by the merchant, may result in previously authorized transactions posting against an insufficient balance. A Paid Item Fee of \$29 will be charged for each ATM or everyday debit card transaction that posts against insufficient funds.

For business accounts, ATM and debit card transactions will be handled as described above with no action required on your part.

Multiple paid items will result in multiple fees. For example, three paid items in one day will result in \$87 in Paid Item Fees. To help you manage your account, the total fees you have paid for items (both paid and returned) during the current month and for the year-to-date will be reflected on your monthly checking statement.

If you would like to revoke your previous authorization for ATM and debit card transaction coverage, or have this service removed entirely from your account, please call 843.448.2133, ext. 3.

**LIMITATIONS:** Courtesy Coverage is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or business use. Carolina Trust reserves the right to limit participation to one account per household or business and to suspend, revoke, or discontinue this service without prior notice. If your limit is suspended, unless we notify you otherwise or you request this service be removed from your account, your limit will be made available to cover overdrafts again the first business day after you bring your account to a positive end-of-day balance.