

COURTESY PAY OVERDRAFT BROCHURE

At times, unanticipated expenses or unforeseen problems can leave you with too little cash in your checking account. Having a check returned due to insufficient funds can be a costly, inconvenient and potentially embarrassing experience. At Chicago Municipal Employees Credit Union, we do not encourage overdrafts. To avoid fees, we encourage you to manage your finances responsibly by keeping track of your account balance and reconciling it regularly. However, we want to save you from the additional merchant fees and possible damage to your credit history that might result if a check is returned. That's why we provide "Member Privilege®", a special overdraft service for Chicago Municipal Employees Credit Union's customers.

What is Member Privilege®?

Member Privilege® is a discretionary overdraft service requiring no action on your part that provides you a safety net up to an automatically assigned overdraft limit.

Your Member Privilege® limit may be available for checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic (ACH) payment 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 using your available balance and your Member Privilege® limit.

Balances displayed do not include the Member Privilege® limit.

How does Member Privilege® work?

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) bank service charges; or (5) the deposit of items which, according to the bank's Funds Availability Policy, are treated as not yet available.

As long as you maintain your account in "**good standing**," we may approve your overdraft items within your unused Member Privilege® limit as a non-contractual courtesy.

For Member Privilege® 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 bank fees and charges); (2) avoid excessive overdrafts suggesting the use of Member Privilege® as a continuing line of credit; and (3) have no legal orders, levies or liens against your account.

Chicago Municipal Employees Credit Union reserves the right to limit participation to one account per household or to suspend, revoke, or discontinue this service without prior notice.

What if I go beyond my Member Privilege® limit?

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, please remember that the amount of the overdraft **plus** our Over Draft (OD) Fee of \$39 for each item will be deducted from the Member Privilege® limit. Overdrafts above and beyond your established Member Privilege® limit may result in checks or other items being returned to the payee. You will be charged a returned item Non-Sufficient Funds (NSF) fee of \$39 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 NSF fees.

An OD/NSF notice will be sent to notify you of items paid and/or returned.

What does my Member Privilege® cost?

There is no additional cost associated with Member Privilege® unless you use it. If you do use the Member Privilege® limit, you will be charged our paid item OD fee of \$39 for each overdrawn 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 Member Privilege® 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 OD fee of \$39 will be charged for each ATM or everyday debit card transaction that posts against insufficient funds. Once opted in, you may revoke your authorization at any time by contacting us at (312)236-2326.

In the normal course of business, we generally pay electronic transactions first and then checks low to high, serial number, per the bank’s policy; however, checks are often converted to electronic transactions which may post to your account more quickly, affecting the order in which they post. In addition, we post incoming transactions in real time, so checks and other debits to your account may post before deposits and other credits. If there are insufficient funds in your account at the time a transaction posts, you will be charged for each item paid. 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 OD fee of \$39 for each overdraft item paid.

Multiple paid items will result in multiple fees. For example, three paid items in one day will result in \$117 in paid item OD 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.

What is my Member Privilege® limit? If I have two checking accounts, can I get Member Privilege® on both?

Locate your account type below and make note of the corresponding limit. If you have multiple accounts for your household you may have a limit on each eligible account.

- Basic Checking\$ 600
- Universal Checking\$ 600

How quickly must I repay my Member Privilege®?

You should make every attempt to bring your account to a positive end-of-day balance as soon as possible and must do so within 30 calendar days. If you are not able to do so, you will receive a letter from Chicago Municipal Employees Credit Union informing you that your Member Privilege® limit has been suspended and additional items will be returned. **Unless we advise you differently 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.**

What are some of the ways I can access my Member Privilege® limit? Will my limit be reflected in the balance I receive?

The chart below shows the different ways you can access your Member Privilege® limit and indicates whether or not this limit will be reflected in the balance provided.

Access points	Is my Member Privilege® available?	Does the balance provided reflect my Member Privilege® limit?
Teller	Yes	No
Writing a Check	Yes	N/A
Debit Card (recurring)	Yes	N/A
Debit Card(everyday)	No*	N/A
ATM Withdrawal	No*	No
ACH- Auto Debit	Yes	N/A
Online Banking	Yes	No
Bill Pay	Yes	N/A
Telephone Banking	Yes	No

* Member Privilege® service will be made available for ATM or everyday debit card transactions on personal accounts upon your request. Call (312) 236-2326 or visit one of our branches to arrange for your ATM and debit card coverage.

What if I am having trouble repaying my Member Privilege® or use it frequently?

Please contact us at (312)236-2326 if you: (1) do not believe you will be able to bring your account to a positive end-of-day balance within the required time period; (2) find that you are using Member Privilege® more often than you intended; or (3) don't understand why your account becomes overdrawn. We would like to discuss your situation with you.

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 Member Privilege® excessively or seem to be using Member Privilege® as a regular line of credit. You will be charged a returned item NSF fee of \$39 for each item returned.

Following regulatory guidance, we will contact you if you are paying multiple OD Fees (i.e., more than six fees in a rolling 12-month period), to discuss possible alternatives to Member Privilege® that may better meet your short term credit needs. In the event you ask us to stop contacting you because you have determined Member Privilege® is appropriate for your needs, we will honor your wishes. However, if we identify that the number and frequency of overdrafts increases materially for an extended period of time at some point after that, we may contact you again to ensure Member Privilege® is still the most appropriate option available to you for covering your short term credit needs.

How do I know when I use the overdraft limit?

You will receive an overdraft notice each time items are paid, including fees. You will need to subtract the total fees when balancing your checkbook.

We have no obligation to notify you before we pay or return any item. The amount of any overdraft including our paid item OD fee of \$39 and/or a returned item NSF fee of \$39 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.

How soon can I use my Member Privilege®?

If you are a new member, we will advise you 30 or more days after your account is opened that you may use the Member Privilege® service. This is provided you have maintained satisfactory activity in the account, including making regular deposits, consistent with our internal standards for the account type for which the Member Privilege® is offered. Once you are notified your Member Privilege® limit is available to you, it may continue to be available provided you maintain the account in “good standing” as defined in this brochure.

What are some other ways I can cover overdrafts at Chicago Municipal Employees Credit Union?

The best way to avoid overdrafts and fees is to keep track of your account balance by entering all checks, debit card purchases and ATM withdrawals in your check register, reconcile your check book regularly and manage your finances responsibly. Other suggestions may be found at www.cmecuoonline.org/courtesy-pay, <https://www.fdic.gov/moneysmart> and <https://www.consumerfinance.gov/>.

Chicago Municipal Employees Credit Union offers additional ways to cover overdrafts in addition to Member Privilege®.

Ways to Cover Overdrafts at Chicago Municipal Employees Credit Union	Example of Associated Rates and Fees¹
Good account management	\$0
Link to savings account	\$7 transfer fee ²
Overdraft line of credit	18% APR ³
Link to cash advance on credit card	\$35 cash advance fee + rate based on credit tier APR ³
Member Privilege®	paid item OD fee of \$39 for each item

¹ This information is effective as of January 2020 and is provided as examples. ²The number of transfers allowed from a savings account each month may be limited and additional fees/consequences for exceeding this limit may apply. ³APR- Annual Percentage Rate – Subject to change. Please ask us about our current specific products, rates and fees.

What if I do not want to have Member Privilege® on my account?

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 (312)236-2326.

While you may opt out of the privilege at any time, you are responsible for any overdrawn balances at the time of opting out.