NAVY FEDERAL Credit Union

Optional Overdraft Protection Service *(OOPS)* Disclosures

An overdraft occurs when you do not have enough money available in your account to cover a transaction, but we pay it anyway. We can cover overdrafts in 3 different ways:

We provide Overdraft Savings Transfers that are included at no additional cost with your checking account. To learn more, see below or ask us about this feature.

We offer a **checking line of credit** *(CLOC)*, which requires credit approval and may be less expensive than our fee-based overdraft program, Optional Overdraft Protection Service. To learn more, ask us about this plan or visit our Checking Protection Options page.

We also offer an **Optional Overdraft Protection Service *(OOPS)***. Under OOPS, we may pay checks, Point-of-Sale *(POS)* Debit Card transactions, Automated Teller Machine *(ATM)* withdrawals, and Automated Clearing House *(ACH)* transactions presented against your checking account when you do not have enough money available in your account to cover the transaction(s). You must be at least 18 years of age and a member for 90 days to qualify for the service. You also must have no delinquencies or legal orders against your Navy Federal accounts in order to qualify. Members may not have both CLOC and OOPS on the same account. Members may enroll up to 2 primary checking accounts in OOPS.

If you want to authorize us to pay overdrafts under OOPS, review this disclosure and the following form, "What You Need to Know About Overdrafts and Overdraft Fees", and call 1-888-842-6328, visit **navyfederal.org**, or complete the form to enroll. You can present the form at a branch, fax it to 703-206-4244, attach it via eMessage, or mail it to PO Box 3000, Merrifield, VA 22119-3000.

Standard Practices and Fees

1. We will charge a fee of $20 each time we pay an overdraft.
2. You will not be charged a fee on transactions of $20 or less.
3. You will not be charged a fee if the amount you are overdrawn after all transactions have cleared or posted after the end of the business day is less than $50.
4. You can only be assessed one overdraft fee per day per account.
5. OOPS is available up to $500, but your account may become overdrawn up to $550 to accommodate fees or a transaction. The additional $50 accommodation includes the amount of overdrawn items, OOPS fees, and any other transactions that result in overdrawing your account, including returned deposits and other fees, as described in our *Schedule of Fees and Charges (NFCU 2043ep*) and *Funds Availability Schedule (NFCU 668)*.

Enrolling in OOPS does not guarantee that we will pay overdrafts. Navy Federal Credit Union pays overdrafts at our discretion. If we do not authorize and pay an overdraft, your transaction will be declined and/or your check/ACH will be returned, unpaid.

Overdraft Savings Transfers

An Overdraft Savings Transfer is a service that transfers funds, at no charge to you, from a linked share savings account to your checking account when there are insufficient or unavailable funds in your checking account. Your share savings account is linked to your checking account of choice, unless you decline Overdraft Savings Transfer coverage. Only one savings account per checking account can be set up as a linked account. A Money Market Savings Account (MMSA) is not eligible to be a linked savings account. If you wish to designate a different savings account for Overdraft Savings Transfers, you may call Navy Federal at 1-888-842-6328 or visit a Navy Federal branch.

If your checking account does not have sufficient funds to pay a check or ACH authorization, or a previously authorized debit card POS transaction that posts to your checking account, Navy Federal may transfer funds from your linked savings account to pay for the transaction. For example, assume your checking account has a balance of $50 and your linked savings account has a balance of $50. If you authorize a $100 check or ACH transaction, the Overdraft Savings Transfer will move $50 from your linked savings account to your checking account to pay the transaction. If the checking and linked savings accounts do not have sufficient funds to cover the full amount of the check or ACH transaction, Navy Federal may return the transaction.

Debit card POS transactions will not be authorized for payment if your checking account does not have sufficient funds available to pay for the full amount of the transaction at the time the merchant requests authorization for payment from Navy Federal. For example, assume your checking account has a balance of $50 and your linked savings account has a balance of $50. If you attempt a $100 debit card POS transaction, the transaction will be declined because you do not have sufficient funds in your checking account to cover the full amount of the transaction. Funds in your savings account will not automatically transfer to your checking account to cover a debit card POS authorization.

Transaction Processing and OOPS

If you are enrolled in OOPS and your checking account does not have sufficient funds to cover a check or ACH transaction, Navy Federal will first attempt to pay for the transaction at no charge using the Overdraft Savings Transfer, provided it has sufficient funds available, before using OOPS. If your checking account becomes overdrawn due to a check, ACH, or debit card POS transaction posting to your account, Navy Federal will first use the Overdraft Savings Transfer to reduce or eliminate the overdrawn amount before using OOPS. To determine whether a transaction may cause an overdraft, it is important to understand that your checking account has 2 kinds of balances: the Available Balance and the Current Balance.

a. Available Balance indicates the amount of funds available for withdrawal or use at that moment. The Available Balance includes pending transactions that have been authorized but may not yet have been processed *(posted)* such as debit card POS transactions, online transfers, ATM transactions, or pending deposits, but does not include items such as scheduled Bill Pay transactions, deposits with holds on them, and checks that you have written but that have not yet cleared your account.

b. Current Balance is calculated after all transactions have posted to your account after the end of the business day *(Eastern Time)*. We first process *(post)* all money coming in to your account *(credits, deposits, etc.)*.[1] After those are processed, we process *(post)* all money coming out of your account *(debits, withdrawals, etc.)* in a predetermined order. The following frequently used transactions are processed in groups in this order:

1. Branch withdrawals
2. ATM withdrawals
3. Debit card or POS transactions that merchants have presented to us for payment
4. Transfers from one Navy Federal account to another
5. ACH debits
6. Checks written

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When more than one transaction from a group is processed on the same day, the items will be processed in the order of lowest to highest amount within that group of transactions.

Assessment of an overdraft fee is determined based on the account's Current Balance after the close of each business day, and not based on the Available Balance at the time a transaction is authorized. If the account balance, including new credits/deposits, is greater than or equal to the total of new debits/expenditures after all items have posted after the end of a business day *(Eastern Time)*, there will be no overdraft fee assessed. Subject to the fee exceptions described below, if the total of all items posted on a business day exceeds your account balance, you will be charged a maximum of one overdraft fee per day if we cover the overdraft transactions under OOPS.

When you use your Navy Federal Debit Card to make a purchase, the transaction is authorized based on your Available Balance plus any Checking Protection option (OOPS or CLOC) you have enrolled in at the time of the purchase. When most transactions are authorized, a temporary hold is placed on your account for the amount of the purchase; you will see this hold reflected in your Available Balance but not your Current Balance. However, the hold is not always in place for the settlement of the full transaction. Generally, if a hold is placed, it will be removed when the transaction or a portion of the transaction posts to your account or **up to 10 days for unsettled part(s) of transactions**. Although the hold may be removed, the merchant has up to **30** calendar days to present the transaction, or remainder of the transaction, for posting. In some cases, the hold may exceed or be less than the amount of the transaction (for example, for some purchases made at gas stations, restaurants, hotels, or car rentals). Funds subject to a hold are not necessarily the same funds that are ultimately used to pay for a transaction. When a hold is removed, those funds will be returned to the Available Balance. If we previously authorized a debit card transaction, or placed a hold that is less than the final transaction amount, we will pay the transaction even if you have insufficient funds and even if you did not opt in to a Checking Protection option for debit card transactions. This may result in fees being assessed to your account.

Even though a transaction has been authorized, it still might result in an overdraft if you initiate other transactions that post first. Do not consider a transaction authorization as a guarantee there will be sufficient funds in your account to cover the transaction when it posts. If, at the time the transaction was authorized, your account's Available Balance had sufficient funds to cover the transaction, Navy Federal will refund the OOPS fee assessed on that transaction unless certain exceptions apply. These exceptions are for transactions where the amount of the posted transaction(s) does not match the amount of the authorized transaction(s), when an OOPS fee would have applied even if the transaction in question had not occurred, or if the transaction settled more than 5 business days after authorization.

Ordinarily, we will not authorize debit card transactions unless you have sufficient available funds in your checking account and available OOPS amounts, if you are enrolled in OOPS. However, we may pay some debit card transactions when you do not have sufficient available funds, even if you did not opt into OOPS for debit card transactions, if we had authorized the transaction in advance, or had placed a hold that differs from a transaction amount, as described in the previous paragraph. Therefore, opting into OOPS for debit card transactions may result in your incurring OOPS fees for some transactions that we would otherwise pay without assessing a fee.

The following is one example that illustrates how overdraft fees are assessed on an account that has OOPS coverage for ATM and debit card transactions:

> Assume your Current and Available Balances are both $100, and you use your debit card to make a $70 purchase online. We will place a $70 hold on your account once the purchase is authorized, which will reduce your Available Balance to $30 while your Current Balance remains at $100. Before the merchant sends the charge to us for processing, you withdraw $100 from an ATM. Your Available Balance will now be negative, and your checking account is potentially overdrawn by $70. Your Current Balance remains at $100 and will be updated after the close of the business day *(Eastern Time)* when all transactions are processed based on posting policies. After the close of the business day, the ATM Debit transaction will post first, followed by the POS Debit transaction, and a revised Current Balance is calculated. At this time, you will be assessed a $20 OOPS fee for the payment of the POS Debit transaction *(the debit card online purchase)*. This fee will be deducted from your account, further reducing the Current Balance, which is now $90 overdrawn. If you had deposited funds in the amount of $21 or more before the close of the business day, the overdraft fee would have been avoided *(due to our fee limitation policy that does not charge an overdraft fee if your total overdrawn balance at the close of the business day is less than $50)*.

This is just one example; there are many others not described here.

[1]Subject to holds placed on certain transactions, see our Funds Availability Policy (NFCU 668) and the Mobile Check Deposit User Agreement (click on "Terms and Conditions - Consumer" at **https://www.navyfederal.org/services/mobile-online-banking/mobile-deposits.html***)*.

If your checking account goes into an overdrawn status *(including OOPS fees)* and funds are available in the linked savings account, we will transfer all or some of the funds from the savings account to the overdrawn checking account to reduce or eliminate the overdrawn amount, as permitted by law.

Tips to Control Costs for the OOPS

1. Good account management is the best way to avoid overdrafts.
2. Digital banking services at **navyfederal.org** and using our apps on your mobile device can help you keep track of your balance.

Restriction of OOPS Privileges

OOPS is not a loan or a line of credit and must be repaid promptly. Should the account remain overdrawn beyond 30 days of the initial transaction posting, OOPS privileges will be revoked temporarily and the service frozen. For example, if you overdraft $100 on the first of the month and $200 on the 20th, then a total of $300 is due on or before the 30th. However, while the account is overdrawn, we may transfer funds available or deposited into a linked savings account to bring your account positive prior to the end of the 30-day repayment cycle. The account must have a positive balance for a minimum of one business day to allow the deposited funds to clear and reset the 30-day repayment cycle. If day 30 of the repayment cycle falls on a weekend or holiday, the account must have a positive balance as of the previous business day to be eligible for OOPS reinstatement. Should the account remain overdrawn beyond 45 days, OOPS privileges will be revoked permanently. The failure to deposit funds to bring the account to a positive balance may result in the overdrawn balance being charged off as a loss to Navy Federal. Such action could result in the checking account being closed and restriction of your membership privileges.

If a member has 2 primary accounts with OOPS and one of them becomes frozen, then both accounts are frozen. Once a member repays the OOPS balance, OOPS is available again the next business day for the original account; however, the second OOPS account *(that did not cause the frozen status)* may not become available for 2 business days. For example, you pay back your OOPS on Monday; it becomes available on Tuesday. However, your second OOPS account will not be available for use until Wednesday.

These are not the only circumstances under which OOPS may be terminated, and Navy Federal Credit Union reserves the right to revoke OOPS privileges, permanently or temporarily, at any time and to deny the payment of any transactions without prior notification.

Canceling Your Enrollment in OOPS

You have the right to revoke your consent by opting out of OOPS at any time through **navyfederal.org** or by phone, toll-free in the U.S., at 1-888-842-6328. For toll-free numbers when overseas, visit **navyfederal.org**. Use 1-703-255-8837 for collect international calls. If you prefer, you may also opt out at any branch location, by faxing requests to 1-703-206-4244, or by mailing the requests to: PO Box 3000, Merrifield, VA 22119-3000.

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Clear

NAVY FEDERAL Credit Union

What You Need to Know About Overdrafts and Overdraft Fees

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover overdrafts in 3 different ways:

1. We provide **Overdraft Savings Transfers** that are included at no additional cost with your checking account. To learn more, see the accompanying disclosure or ask us about this feature.
2. We offer **checking line of credit**, which requires credit approval and may be less expensive than our fee-based overdraft program, Optional Overdraft Protection Service. To learn more, ask us about this plan.
3. We also offer an **Optional Overdraft Protection Service *(OOPS)***.

This form and the accompanying disclosure explain our OOPS.

How does OOPS work?

When you sign up for OOPS, we may pay overdrafts under OOPS, and you will be assessed an OOPS fee. OOPS is limited; please see the attached Optional Overdraft Protection Service *(OOPS)* Disclosures for details. We **will not** authorize and pay overdrafts through OOPS unless you choose to participate *(opt in)*. When you opt in, you will choose from the following options of what types of transactions you authorize us to cover:

1. Checks, payments cleared through the Automated Clearing House *(ACH)*, automatic bill payments, and other transactions made using your checking account number only
2. ATM and debit card transactions only
3. All of the above transactions

We pay overdrafts at our discretion, which means we **do not guarantee** that we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined, and associated returned item fees and additional merchant fees may apply.

What fees will I be charged if Navy Federal pays my overdraft under OOPS?

1. You will be charged a fee of $20 each time we pay an overdraft.
2. You will not be charged a fee on transactions of $20 or less.
3. You will not be charged a fee if the amount you are overdrawn after all transactions have cleared or posted after the end of the business day is less than $50.
4. You can only be assessed one overdraft fee per day per account.

What if I want Navy Federal to authorize and pay overdrafts on my transactions?

If you want us to authorize and pay overdrafts on certain transactions under OOPS, call 1-888-842-6328, visit **navyfederal.org**, or complete the form below. You can present the form at a branch, fax it to 703-206-4244, attach it via eMessage, or mail it to PO Box 3000, Merrifield, VA 22119-3000.

Navy Federal® Optional Overdraft Protection Service *(OOPS)* Opt-In

Name: First	MI	Last	Suffix

Access No.	Date *(MM/DD/YY)*	Account Number(s)/Maximum of 2 Primary Checking Accounts

I want Navy Federal to authorize and pay overdrafts on:

- ☐ check and ACH transactions only
- ☐ ATM and debit card transactions only
- ☐ all of the above transactions

Signature ▸

You must be at least eighteen (18) years of age or older and a member for a minimum of ninety (90) days for OOPS to be extended. Members may not have both checking line of credit and OOPS on the same account.

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