

**A-K Valley Federal Credit Union**  
**Discretionary Overdraft Privilege Policy**

It is the policy of A-K Valley Federal Credit Union (A-K Valley) to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Deposit Account Agreement and Disclosure 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 A-K Valley FCU with regard to your share draft account. The Deposit Account Agreement (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 Deposit Account Agreement and Disclosure. A copy of the Deposit Account Agreement and Disclosure is available to you on request from your A-K Valley FCU officer.

Overdraft privilege is not a line of credit. However, if you 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. A-K Valley FCU is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment (or other negotiation or processing) by A-K Valley FCU of any non-sufficient funds check or other item does not obligate or create an agreement or course of dealing for A-K Valley FCU to pay any additional non-sufficient funds check or item or to provide prior notice of its decision to refuse to pay any additional non-sufficient funds check or item.

Pursuant to A-K Valley FCU's commitment to always provide you with the best level of service, now and in the future, if your account has been open for ninety (90) days, and thereafter you maintain your account in good standing, which includes at least:

- A) Bringing your account balance to a positive balance within every thirty (30) day period;
- B) You are not in default on any loan or other obligation to A-K Valley Federal Credit Union and
- C) You are not subject to any legal or administrative order or levy.

A-K Valley FCU will have the discretion to pay overdrafts within the overdraft privilege limits, but payment by A-K Valley FCU is a discretionary courtesy and not a right of the account holder or an obligation of A-K Valley FCU. This privilege for accounts will generally be limited to a maximum of \$300 or \$500 or \$1,000 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.

The total of the discretionary overdraft privilege (negative) balance, including 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.

Again, while A-K Valley FCU 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 account holder or an obligation of A-K Valley FCU and A-K Valley FCU in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

June, 2004