



Member Reserve Disclosure

First Source (we) may honor overdrafts on the available balance (see definitions below) on accounts up to a limit of \$1000 (including fees). The amount of the overdraft plus the Member Reserve fee of \$25 per item will be deducted from the account per item presented. The overdraft balance, including applicable fee(s), is due and payable upon demand. No interest will be charged on the overdraft balance.

Members (you) need to make every attempt to promptly bring the account to a positive balance to avoid additional fees or disruption of service. In no event may the account remain overdrawn for more than thirty (30) days. If, after 30 days, the account has not been brought to a positive balance, First Source may suspend the privilege on that account and take other steps to recover funds. This service is not a line of credit, is not guaranteed and should not be viewed as an encouragement to overdraw an account.

If you have preauthorized accounts set up for overdraft protection, funds will be deducted from these accounts first before Member Reserve is accessed.

Definitions:

Current Balance. Your current balance is your account balance at any point in time not taking into consideration any transactions that you have made but have not cleared your account (these are called pending transactions). Any purchases, holds, fees, pending bill payments, checks written off your account or deposits made into your account that have not yet posted will not appear in your current balance.

Available Balance. Your available balance is the amount of money in your account that is generally available to you to use. The available balance takes into account holds placed on deposits and pending transactions (such as pending debit card purchases) that you have authorized but that have not yet posted to your account and deposits, withdrawals and checks that have cleared your account. Your available balance is used to determine when your account is overdrawn.

It is important to understand the difference between the two balances so that you know how much money is in your account and available for your use at any given time. It is also important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction. It is important to be aware that your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains prior authorization but does not submit the debit card transaction for payment within three (3) business days of authorization, the Credit Union must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the actual transaction has been received by the Credit Union and paid from your account. Also, some merchants, such as gas stations, may preauthorize an amount higher or lower than the actual purchase amount and that hold will be in place until the transaction for the purchase clears the account or the hold expires.

Member Reserve Accessibility Generally, Member Reserve may be accessed through:

- Checks, drafts
- ACH or preauthorized debits
- Electronic funds transfers
- Other payments or withdrawals authorized by you
- Pre-authorized drafts
- And any other items that may be posted to your account

First Source does not authorize and pay overdrafts for any ATM and/or debit card transaction unless you ask us to do so by verbal or written notification. You may revoke this consent at any time by contacting us by phone or in one of our branches.

Please note checks, draft items and other transactions will be processed in the order that we receive them; not necessarily the order that you make them.

Third-Party Coded Transactions

You further understand and agree that we have no control over how the third-parties (or entities who process transactions for them) you elect to do business with “code” transactions. Third-parties have full control over the amounts of transactions they may enter based on your relationship with them; and they may code transactions as recurring or non-recurring which may affect the payment order of transactions and the application of any overdraft protection or courtesy pay services you have with us. You authorize us to accept transactions based upon the coding submitted by third-parties; and that we may rely upon such coding in processing all transactions and services for you.

Member Reserve Access Notification

Although we are not obligated to do so, we will send a notification to you when items are presented against your account for which there are insufficient funds. You will then be prompted to check your transaction history to determine which items were paid and/or returned and fees assessed. Members are encouraged to use our mobile app or set up e-alerts for more immediate notification.

What if transactions exceed the Member Reserve limit?

If the item(s) presented against your account exceeds your Member Reserve limit or is not paid by the Credit Union for other reasons, the item(s) may be returned to the payee and the standard \$25 non-sufficient funds fee per item will be charged to your account.

Is Member Reserve included in my available balance?

No, your available balance as quoted through a Member Service Representative, over the phone, online, at the ATM or as printed on your statement, will not include your Member Reserve limit.

What does the Member Reserve program cost?

Our standard Member Reserve fee of \$25 does apply for each transaction paid under this program. More than one fee may be charged against the account per day depending on the number of transactions that are presented. There are no additional fees associated with this overdraft privilege, provided your account does not remain negative more than 30 days.

Does Member Reserve affect my credit score?

No. Member Reserve is in no way contingent upon your credit score and will not affect your score if used as outlined in your Membership & Account Agreement and in this disclosure. In the event the funds are not repaid to the Credit Union, we may report information about your account to consumer reporting agencies and/or collection agencies as applicable.

Who is eligible for Member Reserve?

Member Reserve is available to checking account holders, age 18 or over, in good standing. Good standing is defined as having no delinquent loans, no loan losses, no garnishment, attachments or levies

against your account, and you bring your account to a positive balance at least once every 30 days. Member Reserve is available to individually or jointly owned accounts for personal or household use. Youth and business accounts are not eligible for this service. Available limits are at the discretion of First Source. First Source reserves the right to modify limitations or discontinue the program at any time without prior notice, reason or cause.

Additional Member Reserve Disclosures

First Source is not obligated to approve an overdraft for you in excess of the pre-determined limit assigned to your account type, inclusive of any overdraft fees. We may refuse to pay an overdraft for you at any time, even though we may have previously done so. We have no obligation to notify you before we pay or return any item. If there is an overdraft paid by us on an account with more than one owner on the signature card, each owner and agent shall be jointly and severally liable for such overdrafts plus any overdraft fees. As always, we encourage you to manage your finances responsibly.

Right to Opt Out of Member Reserve

You have the right to opt out of Member Reserve at any time by notifying us of your request to do so by stopping into one of our branches or calling us at 315-735-8571 or 800-735-8571.

Overdraft Policy

It is the policy of First Source Federal Credit Union to comply with applicable laws and regulations, and to conduct business in accordance with applicable safety and soundness standards. Member Reserve does not constitute an actual or implied agreement between you and the Credit Union, nor does it constitute an actual or implied obligation of or by the Credit Union. This represents a purely discretionary courtesy or privilege that the Credit Union may provide to cover inadvertent overdrafts and which may be withdrawn or withheld by us at any time without prior notice or reason or cause.