



Overdraft Coverage Options

Life Happens.

Xceed Financial understands that unexpected overdrafts occur from time to time—overdraft coverage can help.

September 5, 2019



debit card is swiped (such as a gas station purchase). This can happen at a restaurant or a gas station, where your debit card is swiped before your actual transaction amount is known, because you may choose to add a tip to a restaurant transaction or because the amount of gas you pump is unknown when your card is swiped. In some cases, we may not receive an authorization request from the merchant, and there will be no authorization hold reflected in your available balance.

Xceed Financial may place an authorization hold on your account until the transaction settles, or the authorization hold time period has expired, or as permitted by payment system rules. The authorization hold time period under payment system rules is up to 3 (three) business days from the time of the authorization for most debit card transactions. If the transaction is not submitted by the merchant for payment in a timely manner, we may release the authorization hold, which will increase your balance until the transaction is submitted for payment by the merchant, in which case we are required under payment system rules to pay the transaction from your account. In this case, we will honor the prior authorization and pay the transaction from your account.

You also understand that, in certain instances, when the amount of the authorization hold is either more or less than the amount of the actual transaction, we might maintain the authorization hold (up to the maximum time period permitted under payment system rules) even after the actual transaction is paid from the account, because our system might not match the actual transaction with the differing amount of the authorization hold. If this occurs, we will release the authorization hold by no later than the maximum time period permitted under payment system rules, which is generally 3 (three) business days from the time of authorization.

We urge you to record and track all of your transactions closely to confirm that your available balance accurately reflects your spending of funds from the account linked to your debit card.

14. Overdraft Privilege is not viewed as an encouragement to overdraw your account nor a line of credit; it is a discretionary overdraft service that can be discontinued at any time without prior notice.

15. You can request to discontinue your Overdraft Privilege service in its entirety at any time by contacting us at 800.XFCU.222 (800.932.8222), completing and submitting the form at xfcu.org/overdraftprivilege, visiting your local Xceed Financial Center, or mailing your request to Xceed Financial Credit Union, Attn.: Retail Operations, 888 North Nash Street, El Segundo, CA 90245. Without Overdraft Privilege, your insufficient funds items will be returned to the payee and/or declined at the point of purchase, unless you have Overdraft Protection available to cover the item(s). You will be charged the standard return fee of \$27 for each returned item. You are responsible for any overdrawn balances and pre-authorized and in-process transactions at the time of discontinuation.

16. Your consent or your revocation of consent to Overdraft Privilege is not effective until Xceed Financial receives your request and has had a reasonable opportunity to act on it. **Note:** Overdraft Privilege is a non-contractual courtesy that is available to individually/jointly-owned accounts in good standing for personal, household, or business use. Xceed Financial Federal Credit Union (“Xceed Financial”) reserves the right to limit participation, make changes at any time, or discontinue this service without prior notice. If you have questions about Overdraft Protection or Overdraft Privilege, please call us at 800.XFCU.222.

7. 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 35 days of incurring an overdraft. Maintaining a negative account balance for a longer period may result in the closure of your account and reporting to consumer or business reporting agencies, as applicable. The total (negative) balance, including all fees and charges, is due and payable upon demand. Account owner(s) and each authorized signer(s) will continue to be liable, jointly and severally, for all such amounts, as described in the Xceed Financial Agreement and Disclosure, Truth-in-Savings Disclosure, and Services and Schedule of Fees.

8. One \$27 Overdraft Privilege related fee per calendar quarter will be rebated no later than the third business day following the posting of such fee when during that same quarter an overdrawn paid item in the amount of \$5 or less is posted.

9. As long as you maintain your membership in “good standing” and your account has a history of sufficient deposits, we may approve overdraft items on your checking account within your then-current available Overdraft Privilege Limit as a non-contractual courtesy. For Overdraft Privilege consideration, your membership may be in “good standing” if: (a) you make sufficient deposits to bring your account to a positive end-of-day balance every 35 calendar days (including the payment of all Xceed Financial fees and charges); (b) you avoid excessive overdrafts suggesting the use of Overdraft Privilege as a continuing line of credit; (c) there is no history or evidence of a prolonged legal action such as a court order, levy, lien or administrative order against your account; (d) there are no delinquent loans with the membership; and (e) you are not in default in any obligation to us. Additional conditions may apply. Xceed Financial may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you.

10. Although under payment system rules, Xceed Financial may be obligated to pay debit card and ATM transactions, Xceed Financial may, at its sole discretion, not authorize debit card or ATM transactions unless there are available funds (including Overdraft Privilege Limit) to cover the transactions and any fee(s).

11. Giving us your consent to pay everyday debit card and ATM overdrafts (Extended Overdraft Privilege) may cause you to incur overdraft fees for transactions that Xceed Financial would otherwise be required to pay without assessing an overdraft fee. However, by providing your consent for Extended Overdraft Privilege, it allows us to authorize transactions up to the amount of your Overdraft Privilege Limit, and may help you avoid overdrafts in excess of your available funds, that could result in the restriction of your debit card.

12. Xceed Financial may restrict your debit card use if you incur overdrafts in excess of the available funds in your account, including any Overdraft Privilege Limit.

13. When you make a purchase with your debit card, the merchant may seek our prior authorization for the transaction. We generally place a temporary hold against some or all of the funds in the account linked to your debit card if and when a merchant's authorization request is obtained. We refer to this temporary hold as an “authorization hold,” and the amount of the authorization hold will be subtracted from your available balance (generally in real time as they are received by us throughout each day).

The amount of an authorization hold may differ (higher or lower) from the actual transaction amount or there may be no authorization hold, when, for example, the actual transaction amount is not yet known to the merchant at the time the authorization request is submitted after your

(ii) deposits and withdrawals made at Xceed Financial Centers and Share Branch locations are posted in real-time and deposits received at Xceed Financial’s designated lockbox are posted in the afternoon of each business day; (iii) check withdrawals (inclearing checks) are received in batches and are posted by batch file number order ascending after lockbox deposits are processed in the afternoon of each business day; (iv) ATM deposits and withdrawals are posted in real-time; (v) merchant debit card transactions are posted in real-time; (vi) Online Banking internal transfers (transfers between Xceed Financial accounts) are posted in real-time; (vii) internal payroll processing deposits are posted by 3:30 p.m. Eastern Time of each business day; (viii) deposits through our Remote Deposit Capture Service are posted in batches by 4 p.m. Eastern Time of each business day; (ix) Credit Union fees can be posted at varying times; and (x) scheduled Xceed Financial preauthorized transfers, such as but not limited to, dividend transfers, scheduled internal transfers between Xceed Financial accounts, are posted in batches after the end of each business day. You understand that there are instances when transactions and posting times will not occur as listed above due to rejected items, exceptions items, off-line/stand-in status, etc. **You understand that the foregoing information is not intended to be exhaustive, but is only a general explanation of how we post items to your account.**

We reserve the right to: (a) establish different categories of items; (b) establish a posting order for each category of item(s); (c) establish different posting orders for items within each category; (d) change the timing of when items are posted during the day and whether they are posted individually or in batches; and (e) move transaction types among categories. Except to the extent limited by regulatory and judicial authorities, we have the right to change any of the factors described in (a), (b), (c), (d) and (e) listed in this section at any time without notice to you. You agree that, to the extent permitted by law, we may determine in our discretion the timing of posting items to your account, the categories used by us to post items to your account, the transactions within each category, the order among categories, and the posting orders within a category. You agree that we may in our discretion make these changes at any time to the extent permitted by law without notice to you. You also understand and agree that we use certain third party service providers to assist in the posting of items to your account, and that such processors may change their processing and posting order with or without notice to us. You acknowledge that we are not responsible or liable in any way, to the maximum extent permitted under applicable law, for changes implemented by our third party service providers that affect the processing and posting of items to your account. Transactions may not be processed in the order in which they occurred, and the order in which Xceed Financial receives and processes transactions can affect the total number of overdraft or return fees you incur. If multiple items overdraw your account on the same day, each item will be assessed an applicable fee listed in the Services and Schedule of Fees.

4. All fees and charges will be included as part of the Overdraft Privilege Limit amount. You may become overdrawn in excess of the Overdraft Privilege Limit amount as a result of the assessment of a fee or other pending items.

5. Negative account balances due to reasons other than Overdraft Paid Items may also reduce the amount of the available Overdraft Privilege Limit.

6. As a courtesy, you will be notified by mail of any non-sufficient fund items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item.

withdrawals posted to your account. Your ledger balance does not include pending transactions and may include deposits that are not yet available for withdrawal. Xceed Financial monthly statements display your ledger balance while Xceed Online, Xceed Mobile Banking, Xceed On-Call, Xceed Account Alerts, and ATMs display both your available and ledger balance. For a variety of reasons, neither your available balance nor your ledger balance may represent the funds in your account that will be available to cover a particular transaction at the time you enter into it (such as delivering a check to a merchant) and/or the time of its posting, depending on a number of factors, including, without limitation, how and when the item for such a transaction is presented to us. **The responsibility for ensuring that a transaction will not overdraw your account is yours.** You should ensure that you keep track of items on your account, and your available balance, to ensure that you avoid overdrawing your account, returned items, and/or fees.

Keeping track of your available balance is particularly important because we use the available balance to determine whether there are sufficient funds in your account to cover items posted to your account. If the available balance is insufficient to cover a particular item at the time it posts to your account and payment of such item results in your account being overdrawn, you could incur a fee if we pay the item at our discretion. Your account is considered overdrawn if payment of a particular item posted to your account results in a negative (less than \$0) available balance or if payment of the item results in a further negative balance on the account. **You understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you initiate or approve because of pending transactions and account or authorization holds.**

2. An insufficient available balance can result from several events, such as (a) the payment of checks, electronic funds transfers, or other withdrawal requests; (b) payments authorized by you; (c) the return of unpaid items deposited by you; (d) Xceed Financial fees and service charges; (e) the deposit of items that according to Xceed Financial’s Funds Availability Policy are treated as not yet available or finally paid; and (f) a merchant authorization request resulting in an authorization hold that reduces your available balance. We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds (including the Overdraft Privilege Limit) to cover the item(s) and the amount of any fee(s), with the exception of circumstances mentioned in this brochure.

3. Xceed Financial receives different types of transactions and authorizations in many different forms throughout each business day. We reserve the right to determine the timing and order in which such transactions are posted, paid, authorized, declined or returned to your account to the extent permitted by law. We determine the timing and order in which we process and post deposits, other credits, debits and checks, and other items to your account based on a number of factors.

When the available balance in your account is not sufficient to cover all of the items presented, some processing and posting orders can result in more returned items and more overdraft and returned item fees than other orders do. We may choose our processing and posting orders to the extent permitted by law regardless of whether additional fees result. Some items are received by us individually and others are received in batches throughout each business day. In general, we post items to your account, subject to holds and our Funds Availability Policy, in the following order: (i) ACH deposits and withdrawals are received in separate batches, with deposits posting before withdrawals, each business day;

WHAT ELSE YOU SHOULD KNOW

1. The best way to avoid overdrafts and fees is to keep track of your account balance and the items that may be added to or withdrawn from your account balance. Such “items” can include checks, ACH transactions, ATM transactions, debit card transactions, in-branch transactions, fees, charges, and other amounts that can add to or reduce your account balance. It is your responsibility to keep track of your account balance, including the available balance and ledger balance, to ensure that you have sufficient funds available for transactions on your account without overdrawing your account and incurring fees.

To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconciling your checkbook regularly, and managing your finances responsibly. However, when tracking your account balance using your check register, you should also keep in mind that your transactions may not post to your account in the order that you approved or initiated the transactions. As a result, you should track all the transactions and authorization holds that may be applied against your account balance to ensure you avoid overdrawing your account. If you have concerns that you may overdraw your account, please contact us at 800.XFCU.222 (800.932.8222) or at an Xceed Financial Center to discuss less costly ways to cover your transactions, such as overdraft protection, as previously mentioned in this brochure. In addition to using your check register, Xceed Online, Xceed Mobile Banking, Xceed On-Call, and Xceed Account Alerts are some of the tools available to help you stay on top of your spending and account balance. Please note that the balance displayed when using these tools may show either your available balance or ledger balance, or both. It is important that you understand the difference between the available balance and ledger balance.

Available balance is the most current record we have about the funds available for withdrawal from your account (but does not include certain pending transactions such as outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have been authorized but not yet paid from your account). For example, outstanding checks you wrote will not be reflected in your available balance until they are presented to us and paid from your account. Also, your available balance may not reflect all of your debit card transactions. To provide another example of how your available balance is affected by your transactions, if a merchant obtains our prior authorization for a one-time transaction you initiate using your debit card, we generally will place a temporary “authorization hold” on funds in your account in an amount that may differ from the actual transaction amount. If the merchant does not submit the one-time debit card transaction for payment in a timely manner, we will release the authorization hold on the transaction in accordance with payment system requirements. After the hold is released, the available balance will not reflect this pending item, unless the merchant’s transaction is subsequently received by us, in which case we are legally obligated to pay the transaction from your account at such time. We provide further details regarding authorization holds below. In addition to the effect of checks you write and your debit card transactions, your available balance may not reflect the most recent deposits to your account. For details on the availability of funds for withdrawal from deposits made to your account, refer to Xceed Financial’s Funds Availability Policy. Ledger balance is simply the current posted balance in your account, and such ledger balance includes credits/deposits and debits/



800.XFCU.222

XFCU.ORG

This credit union is federally insured by the National Credit Union Administration.

We've Got Your Back.

Xceed Overdraft Coverage



Consider choosing one of the overdraft coverage options described in this brochure and avoid third-party fees, returned or rejected items, and possible damage to your credit history.

Overdraft Protection

Overdraft Protection services apply to a variety of transactions by allowing you to link other sources, such as another account or line of credit at Xceed Financial to your checking account to pay for a transaction, fee or finance charge that would cause your account to be overdrawn.

NOTE: Certain limitations apply. For example: you can only link like products, such as business checking accounts to business savings accounts, and consumer checking accounts to consumer savings accounts.

Overdraft Privilege

Overdraft Privilege allows you to overdraw your account for a fee in order to pay for a transaction. Xceed Financial may provide you a specific Overdraft Privilege limit depending on the type of account you have. For new eligible checking accounts, Overdraft Privilege is available the following business day once a total of \$250 is deposited into the account. Even if you have Overdraft Protection, Overdraft Privilege is still available as secondary coverage if the other protection sources are exhausted. Please note that the Overdraft Privilege limit will not be included in your account balance, as shown through Xceed Online, Xceed On-Call, or Xceed Financial ATMs.

SERVICE	OPTIONS	COST
Overdraft Protection	Link to a savings and/or money market account you have at Xceed Financial	\$5 fee per transfer ² on consumer accounts. \$10 fee per transfer ² on business accounts.
	Link to a line of credit you have at Xceed Financial ¹	\$5 fee per transfer ² plus any applicable finance charge and additional fees on consumer accounts. \$10 fee per transfer ² plus any applicable finance charge and additional fees on business accounts.
Overdraft Privilege	Standard Overdraft Privilege (Standard Coverage)	\$27 overdraft fee per item
	Extended Overdraft Privilege (Extended Coverage)	

The Cost of Overdraft Privilege

There is no additional cost associated with this service—unless you use it. You will be charged a \$27 Overdraft Privilege fee for each Overdrawn Paid Item created by check, ACH, ATM card, debit card, in-person withdrawals, or other electronic means. For example, three Overdrawn Paid Items in one day will result in three separate Overdraft Privilege fees. There is no limit on the amount of Overdraft Privilege fees that may be imposed on an account. Any fees you incur (for both paid and unpaid items) will be reflected on your monthly checking account statements, shown on Xceed Online and relayed on Xceed On-Call.

The \$27 Overdraft Privilege fee is the same amount that would be charged by Xceed Financial if the item were returned as unpaid.

¹Subject to credit approval. ²The funds automatically transfer from a qualifying account designated by the member (savings, money market, line of credit) to a checking account in increments of \$100, or up to the available balance, whichever is less. The fee is automatically charged to the checking account.

Types of Transactions Covered by Overdraft Privilege

Types of transactions covered by Overdraft Privilege depend on the coverage selected.



STANDARD COVERAGE

Eligible consumer checking accounts automatically receive Standard Coverage.



EXTENDED COVERAGE

If you choose Extended Overdraft Coverage, all the transaction types listed in Standard Coverage are included, along with ATM withdrawals and everyday debit card transactions. Xceed Financial will not authorize overdrafts for everyday debit card and ATM transactions on consumer accounts unless you give us your consent to pay these overdrafts through Extended Overdraft Coverage. Eligible business accounts automatically receive Extended Overdraft Coverage.

Transactions Covered with Overdraft Privilege	Standard Coverage	Extended Coverage (Your consent required)
Checks	✓	✓
ACH - Auto Debits	✓	✓
Recurring Debit Card Payments	✓	✓
Online Bill Pay Items	✓	✓
Teller Window Transactions	✓	✓
ATM Withdrawals		✓
Everyday Debit Card Purchases		✓

Overdraft Privilege Limits

If eligible, your checking accounts (excluding the Access Checking account) can have Overdraft Privilege. The limit on each will be \$500 on Simplicity Checking, \$750 on Signature Checking and \$1,000 on Business Checking.

Methods for Consenting to Have Extended Overdraft Privilege

(covering overdrafts on ATM and everyday debit card purchases)



Call us at 800.XFCU.222 (800.932.8222).



Visit xfcu.org/overdraftprivilege to complete and submit the consent form online.



Complete the consent form at any Xceed Financial Center.



Complete and mail the consent form to:
Xceed Financial Credit Union
Attention: Retail Operations
888 North Nash Street
El Segundo, CA 90245