

VERMONT FEDERAL CREDIT UNION

OVERDRAFT PRIVILEGESM PLUS SERVICE

Overdraft Consideration Exclusively for Eligible Vermont Federal Credit Union Share Draft Account Members

This service will normally be considered for payment of your occasional and inadvertent overdrafts up to your assigned Overdraft Privilege Plus Service limit of \$800.00. This limit includes our customary fees outlined in this disclosure. Our fees will be added to any outstanding overdrafts you may have and will be applied against your Overdraft Privilege Plus Service limit.

Have you ever.....

- Forgotten to record a deposit, a purchase, or an ATM withdrawal?
- Found yourself "a little short of cash"?
- Had unforeseen expenses at just the wrong time?

Relax... You deserve consideration.

- We cannot promise or guarantee these things will never happen, but rather than automatically returning unpaid any insufficient fund items we will consider payments of your reasonable overdrafts.
- Not all accounts are eligible and we cannot promise to pay every overdraft. Some restrictions apply.
- Overdraft Privilege Plus Service is already a part of your share draft account agreement with us.
- If you do use the Overdraft Privilege Plus Service you will be charged our customary fee outlined in this disclosure. "Use" means you initiate insufficient funds transactions.

This means:

- **You may avoid high charges from merchants for returned transactions.**
- **You may avoid the embarrassment and inconvenience of denied purchases and dishonored checks**

General Information

Post Office Box 407 Burlington, VT 05402-0407

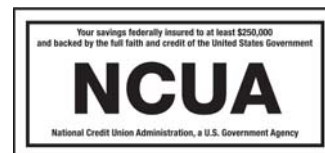
Call Center: (888) 252-0202

Call-24 (Audio Response)

(802) 658-9630 (800) 280-9630 (outside Burlington area)

Email: vermontfederal@vermontfederal.org

Web Site: www.vermontfederal.org



Vermont Federal Credit Union
Overdraft Privilege Plus Disclosure (Service Description)
(A Discretionary Overdraft Service)

It is the policy of Vermont Federal Credit Union (the credit union, "we", "us", or "our") to comply with applicable laws, rules and regulations, and to conduct business in accordance with applicable safety and soundness standards.

A non-sufficient funds (negative) balance may result from: A) The payment of checks, electronic funds transfers, or other withdrawal requests; B) Payments authorized by the account holder; C) The return, unpaid, of items deposited; D) Our Fees/Charges; E) The deposit of items which according to our Funds Availability Policy, are treated as not yet "available" or not yet "finally paid".

We are not obligated to pay any item presented for payment if an account does not contain sufficient collected funds. Rather than automatically returning, unpaid, any non-sufficient funds items that are presented, if an account is eligible and has been open at least ninety (90) days and thereafter has been maintained in good standing, which includes at least: (A) continuing to make deposits consistent with past practices, (B) not in default on any loan obligation to us, (C) paying outstanding overdraft (negative) balance, including credit union fees, immediately or on demand when requested by us, and (D) the account is not the subject of any legal or administrative order or levy, we will consider, without obligation on our part, approving any reasonable overdrafts; as a purely discretionary overdraft "privilege" or "courtesy". This discretionary service will generally be limited to an \$800 overdraft (negative) balance for eligible share draft checking accounts. All fees and charges, including without limitation our non-sufficient funds/overdraft fee, currently \$25.00 per non-sufficient funds or overdraft item as set forth in our fee schedule will be included in this limit and will apply to each transaction that may overdraw an eligible account. Typically, we will charge our normal non-sufficient funds/overdraft fee whether we approve an overdraft item for payment or return it unpaid.

Whether overdrafts will be paid or not is at our sole discretion and we reserve the right not to pay. For example, we typically do not pay overdrafts if an account is not in good standing as described above, or if an account has had too many overdrafts. We may refuse to pay an overdraft at any time, even if an account is in good standing and even though we may have previously paid overdrafts for an account. Members will be notified by mail of any non-sufficient funds items paid or returned that they may have. However, we have no obligation to notify members before we pay or return any item. The amount of any overdrafts plus our non-sufficient funds and/or overdraft charge(s) shall be due and payable upon demand.

If there is an overdraft paid by us on an account with more than one (1) owner on the signature card, each owner, and agent if applicable, drawing/presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts plus our Non-Sufficient Funds and/or Overdraft charge(s).

OPTIONAL OVERDRAFT PROTECTION SERVICES

We offer additional overdraft protection services. These include Lines of Credit and Share Overdraft Protection. Account holders may save money on the total fees paid for overdraft protection services with these optional services.

LIMITATIONS

Share Savings Type Accounts, Money Market Accounts, Public Fund / Charitable Organization Accounts, Student Minor Accounts, and Other Minor Accounts (not of legal age) are not eligible. We may limit the number of accounts eligible for Overdraft Privilege Plus Service to one account per household and/or one account per tax payer ID.

ELIGIBLE ACCOUNT TYPES

The account types that are eligible for the Overdraft Privilege Plus Service are the personal Share Draft Checking Account and Business Share Draft Checking Accounts.

TRANSACTIONS THAT MAY CAUSE OR CREATE OVERDRAFTS USING THE OVERDRAFT PRIVILEGE PLUS LIMIT

NSF transactions initiated for payment against a share draft checking account may be paid by us using the assigned Overdraft Privilege Plus Service limit, including our fees. Our non-sufficient funds/overdraft fee may be imposed for paying, or not paying, overdrafts created by: Checks, In person (teller) withdrawal, ACH, Bill Payment, or other electronic means.

MEMBER MAY ALWAYS OPT-OUT

Members may choose at any time not to participate in our Overdraft Privilege Plus Service by notifying Vermont Federal Credit Union in writing.

MEMBER HELP

Overdrafts should not be used to pay ordinary or routine expenses and members should not rely on overdrafts as a means to cover these expenses. Members should contact one of our Member Service Representatives at (888) 252-0202, option 3 if they need help with their financial obligations.

ALWAYS A DISCRETIONARY SERVICE

Our Overdraft Privilege Plus Service does not constitute an actual or implied agreement between members and us. Nor does it constitute an actual or implied obligation of ours or by us. This service represents a purely discretionary privilege or courtesy that we may provide to members from time to time and which may be withdrawn or withheld by us at any time without prior notice or reason or cause.

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