



PAYMENT PRIVILEGE

SPECIAL OVERDRAFT SERVICES FOR MEMBERS

What is Payment Privilege?

Payment Privilege is a discretionary overdraft service requiring no action on your part that provides you a safety net up to an automatically assigned overdraft limit.

Your Payment Privilege limit may be available for checks and other transactions made using your checking account number or automatic bill payment and recurring debit card payment. Also, at your request, we may authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your limit.

What does my Payment Privilege cost?

There is no additional cost associated with this privilege unless you use it. You will be charged our Payment Privilege per item paid fee of \$32 for each overdrawn item created by a paper-based check, teller withdrawal, automatic payment (ACH) transaction, or a recurring debit card payment. Also, if you have requested us to do so, we may authorize and cover ATM transfers or withdrawals and everyday debit card purchases. For example, three paid items in one day will result in a total of \$96 in Payment Privilege fees for that day. To help you manage your account, the total fees you have paid for items (both paid and returned) during the current month and year-to-date will be reflected on your monthly checking statement.

How does Payment Privilege work?

As long as you maintain your account in “good standing,” we may approve your overdraft items within your current available Payment Privilege limit as a non-contractual courtesy.

For overdraft privilege consideration, your account is in “good standing” if you (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all Credit Union fees and charges); (2) avoid excessive overdrafts; (3) do not default on any loan or other obligation with St. Mary's Bank; and (4) have no legal orders, levies, or liens against your account.

Please note that the amount of the overdraft plus our Payment Privilege per item paid fee of \$32 will be deducted from your overdraft limit. If the item is returned, the overdraft per item returned fee of \$32 will be deducted from your account. No interest will be charged on the overdraft balance.

Please refer to the member overdraft program for additional details.

How do I know when I use the overdraft limit?

You will receive an overdraft notice each time items are paid, including fees. You will need to subtract the total fees when balancing your checkbook.

What is my limit? If I have two checking accounts, can I get Payment Privilege on both?

Make note of the corresponding limit below. If you have multiple accounts for your household, you may have a limit on all eligible checking accounts.

Beyond Checking\$300
Beyond Rewards and Beyond Interest Checking\$500

Why do I need to track my available balance?

It's important to know your available balance because it is the amount of money in your account that is available to use. The available balance includes holds placed on deposits and pending transactions that St. Mary's has authorized but not yet posted to your account. Your actual balance (or current balance) does not reflect holds on deposits or pending transactions. For example, assume you have an actual balance of \$100 and an available balance of \$100. If you use your debit card for a \$25 purchase, the merchant could ask us to preauthorize the payment. In that case, we will put a hold on your account for \$25. Your actual balance will still be \$100 because the transaction has not yet posted, but your available balance would be \$75 because you have committed to pay \$25. Funds available for transactions are based on your available balance, not actual balance.

What if I go beyond my Payment Privilege limit?

Overdrafts above and beyond your established *Payment Privilege* limit may result in checks or other items being returned to the payee. Overdrafts above your established Payment Privilege limit may result in checks or other items being returned to the payee. The overdraft per item returned fee of \$32 will be charged and assessed to your account. A non-sufficient funds notice will be sent to notify you of items paid or returned.

How quickly must I repay my Payment Privilege?

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 30 calendar days. If you are not able to do so, you will receive a letter from St. Mary's Bank informing you that your Payment Privilege limit has been suspended and additional items will be returned.

How soon can I use my Payment Privilege?

If you are a new member, you may be able to use the Payment Privilege service 30 days after your account is opened, assuming your account is in “good standing” as defined in this brochure.

How can I access my Payment Privilege limit? Will my limit be reflected in the balance I receive?

The chart below shows various ways to access your Payment Privilege limit and indicates if this limit will be reflected in the balance provided.

Access points	Is my overdraft privilege available?	Does the balance provided reflect my limit?
Teller	Yes	No
Writing a check	Yes	N/A
Debit card (recurring)	Yes	N/A
Debit card (everyday)	Optional*	N/A
ATM withdrawal	Optional*	No
ACH - auto debit	Yes	N/A
Online Banking	Yes	No
Bill Pay	Yes	N/A
Telephone Banking	Yes	No

*Payment Privilege service will be made available for ATM or everyday debit card transactions upon your request. Call 1.888.786.2791 or visit one of our branches to arrange for your ATM and debit card coverage.

What are some other ways I can cover

The best way to avoid overdrafts and fees is to keep track of your account balance by entering all checks, debit card purchases, and ATM withdrawals in your check register, reconcile your check book regularly, and manage your finances responsibly. We also offer additional ways to cover overdrafts in addition to Payment Privilege.

Ways to Cover Overdrafts	Example of Associated Fees**
Good account management	\$0
Overdraft sweep***	\$2 per sweep***
Overdraft Protection line of credit	18% Annual Percentage Rate
Payment Privilege	\$32 fee per item paid

**These costs are provided only as examples. Please refer to our schedule of fees. Overdraft Protection has an annual fee of \$25.

***For checking accounts linked to a savings or money market as part of an overdraft sweep service; an overdraft or payment privilege fee and an overdraft sweep fee will be assessed if the linked account's balance is not sufficient to cover the overdrawn checking balance.

What if I do not want to have Payment Privilege on my checking account?

If you would like to have this service removed from your account, please call **1.888.786.2791**.

St. Mary's Bank Member Overdraft Program

It is the policy of St. Mary's Bank to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards. The Deposit Agreement and Disclosure, which is within the Information Concerning Your Personal Accounts brochure 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 St. Mary's Bank with regard to your account and shall control any possible conflict with any provisions of this Member Overdraft Program.

An insufficient available balance (also known as non-sufficient funds) can result from several events, such as (1) the payment of checks, electronic funds transfers, or other withdrawal requests; (2) payments authorized by you; (3) the return of unpaid items deposited by you; (4) credit union service charges; or (5) the deposit of items which, according to the credit union's Funds Availability Policy, are treated as not yet available or finally paid. We are not obligated to pay any item presented for payment if your account does not contain sufficient funds.

As long as you maintain your account in "good standing," we may approve your overdraft items within your current available Payment Privilege limit as a non-contractual courtesy. For overdraft privilege consideration, your account is in "good standing" if you (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all credit union fees and charges); (2) avoid excessive overdrafts; (3) do not default on any loan or other obligation with St. Mary's Bank; and (4) have no legal orders, levies, or liens against your account.

In the normal course of business, we generally pay electronic transactions first and then checks low to high amount, per the Credit Union's policy. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, please be aware that the order of item payment may create multiple overdraft items during a single banking day, for which you will be charged our Payment Privilege per item paid fee of \$32 (fees capped at 5 items per day).

You may opt out of the privilege at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft plus the Credit Union's Payment Privilege per item paid fee of \$32 will be deducted from the overdraft limit.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in good standing, as defined above, or if based upon our review of your account management, we determine that you have too many overdrafts or are using Payment Privilege as a regular line of credit. You will be charged an overdraft per item returned fee of \$32 for each item returned.

You will be notified by mail of any non-sufficient funds items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdraft including our Payment Privilege per item paid fee of \$32 or an overdraft per item returned fee of \$32 that you owe us shall be due and payable upon demand, but if no demand is made, no later than 30 calendar days after the creation of the overdraft. If there is an overdraft on an account with more than one owner on the signature card, each owner and agent, if applicable, shall be jointly and severally liable for all overdrafts inclusive of fees.

Payment Privilege should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconciling your check book regularly, and managing your finances responsibly. If you would like to have this service removed from your account, please call 1.888.786.2791.

Please note that your Payment Privilege limit may be available for covering overdrafts created at the teller window or ATM or through a POS transaction, Online Banking, or Telephone Banking. Also, at your request, we may authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your limit. The limit will not be included in the balance provided during an inquiry.

LIMITATIONS: Payment Privilege is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or household use. St. Mary's Bank reserves the right to limit participation to one account per household and to suspend, revoke, or discontinue this service without prior notice.

Federally insured NCUA. Equal Housing Lender.

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