

Overdraft Disclosure

This Overdraft Disclosure contains important information regarding your Account balance; how payment and deposit transactions are posted to your Account; when we consider your Account to be overdrawn, the fees you may be charged if your Account is overdrawn and our Overdraft Protection Programs. Please read it carefully. If you have questions, please see a branch representative or call our Member Service Center at (262) 796-4500.

When we use the word “overdraft”, that means there is not enough money in the available balance in your Account to pay for a transaction.

YOUR ACCOUNT BALANCE. Your checking Account has two kinds of balances: the “current” balance (also called the “actual” balance) and the “available” balance. Both can be checked when you review your Account online, use our app or Phone Banking service via phone, at ATMs that we own (e.g., ATMs in our branches or bearing our name), by phone to our Member Service Center, or at a Credit Union branch. It is important to understand how the two balances work so that you know how much money is in your Account at any given time. This section explains current balances and available balances and how they work.

Your **current balance** is the full amount of all deposits to your Account, even though some portion of a deposit may not be available to you or may be pending receipt of funds from a third party, less payment transactions that have “posted” to your Account. It does not, however, include preauthorized commitments to pay merchants that are pending settlement (i.e., have not yet been paid or posted to your Account), nor all or portions of checks or other deposits that have not yet posted. Thus, while the term “current” may sound as though the amount you see is an up-to-date display of what is in your Account that you can spend, that is not always the case. For example, if you have a \$50 current balance, but you just wrote a check for \$40, then your current balance is \$50 but it does not reflect the pending \$40 check transaction. At that point, you actually have \$50 in your current balance, but you have already spent \$40.

Your **available balance** is the amount of money in your Account that is immediately available for use. It is the current balance less holds placed on deposits and less debit card payment commitments that the Credit Union has authorized but that have not yet posted to your Account. For example, assume you have a current balance of \$50 and an available balance of \$50. If you were to swipe your debit card at a merchant to buy groceries for \$20, then that merchant could ask us to authorize the payment. In that case, we are obligated to pay the merchant, even if your balances are negative at the time the debit card payment is presented to us by the merchant, so we will reduce your available balance by the amount of the “pre-authorization commitment,” which is \$20. Your current balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because you have a commitment to pay the merchant \$20. When the merchant submits its bill for payment (which could be several days later), your current balance will be reduced by the amount of the posted transaction (in this example, \$20) and both your current and available balance will be \$30.

WHEN IS YOUR ACCOUNT OVERDRAWN? Available balance is used to determine whether we will authorize a transaction, but your current balance is used to determine whether your Account is overdrawn and subject to an overdraft fee. The following example illustrates how this works. Again, assume your current balance and available balance are both \$50, and you swipe your debit

card at a merchant for \$20. The merchant requests a pre-authorization commitment. Because you have \$50 available, we will likely authorize the payment and will reduce your available balance to \$30. Your current balance will still be \$50. Before the merchant transaction is sent to us for payment, a check that you wrote for \$40 clears. Because you have only \$30 available (you have a commitment to pay the merchant \$20), the check will cause your available balance to be negative by \$10 but your current balance will still be \$50. In this case, we may pay the \$40 check, and you will not be charged an overdraft fee for the \$40 transaction, because your current balance exceeds the amount of the transaction. (If the check was for \$60 instead, you would be charged an overdraft fee because it exceeds the current balance). However, when the merchant presents the \$20 charge for payment, your current balance, which is now only positive \$10, will be insufficient to cover the \$20 transaction because of the intervening transaction. This will result in an overdraft fee for the \$20 transaction, even though both your available balance and current balance were sufficient at the time the pre-authorization commitment for the transaction was made.

IT IS VERY IMPORTANT TO UNDERSTAND THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE CURRENT AND AVAILABLE BALANCES APPEAR TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE. Your current and available balance may not reflect all of your outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your Account. In the example above, the outstanding check will not be reflected in your Account balances until it is presented to us and paid from your Account. Your available balance also may not reflect recent deposits to your Account that are subject to “holds” as described in our Funds Availability Policy.

In addition, your Account balances may not reflect all of your pending debit card transactions. For example, if a merchant obtains a pre-authorization commitment but does not submit a one-time debit card transaction for payment within three (3) business days after pre-authorization, we may increase your available balance by the amount of the pre-authorization commitment. This means that your available balance will not reflect the pending transaction until the transaction has been received by us and paid from your Account (i.e., posted). (Note that this commonly happens with certain types of pre-authorized commitments, such as car rentals and international purchases, depending on the merchant.) Even though we may increase your available balance when a merchant does not submit the transaction for payment in a timely manner, the obligation to the merchant still applies. The time period for the pre-authorization commitment may be different for certain types of merchants such as gas stations that may have a pre-authorization commitment period of several hours, or for transactions or accounts that involve suspicious or unusual activity.

The Credit Union’s determination of an insufficient current Account balance may be made at any time between presentation and midnight with only one review of the Account required. We do not have to notify you if your Account does not have sufficient current balance in order to pay an item.

POSTING TRANSACTIONS TO YOUR ACCOUNT. The two basic types of transactions for your Account are: (i) credits (deposits) into your Account, and (ii) debits (withdrawals or payments) out of your Account. We may receive multiple credit and debit transactions on your Account in many different forms throughout the day. This is a general description of how certain types of transactions are posted and exceptions may apply. These practices may change and we reserve the right to pay items in any order we choose as permitted by law.

Some items are received by us individually and others are received in batches. Items that we receive individually are posted to your Account immediately upon receipt, in the order received. (Items received by mail are not processed on weekends or holidays, and may be processed in random order.) Individual debits that we receive electronically are posted 24 hours a day, 7 days a week. Items that we receive by batch are aggregated and processed before the start of the next processing day, first by processing all batched credits; then by processing all batched debits, generally from low to high dollar value. You may contact the Credit Union to confirm whether a debit or deposit has been posted, to determine availability of deposited funds, and to determine your available balance.

Items that we often receive individually include ATM withdrawals and over-the-counter teller transactions. Examples of items that we often receive in batches include checks drawn on your Account presented by other financial institutions and ACH transactions. We may receive debits for purchase transactions made with your debit card or ATM card individually or in batches, depending on the merchant. Exceptions may apply. It is important to understand how each is applied to your Account so that you know how much money you have and how much is available to you at any given time. This section explains how and when we post transactions to your Account.

Checks, drafts, and other payments items may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, draft, or other item, and execute other transactions on your account in any order we choose. In most cases, we will follow the order set forth in this Disclosure. The order in which we process transactions may affect the items that are paid and the total amount of overdraft and returned item fees that may be charged to your Account. Please contact us if you have questions about how we pay transactions.

Credits. We reserve the right to refuse any item for deposit into your Account. Your available balance may not reflect the most recent deposits to your account. For details on the availability of funds that are deposited, see our “Funds Availability Policy,” which is available at any branch or online.

Debits. There are several types of debit (withdrawal) transactions. Common types of debit transactions are described below. Note that there are many ways transactions are presented for payment by merchants, and Landmark is not necessarily in control of when transactions are received.

- **ACH Debits.** Multiple Automated Clearing House (ACH) transactions are sent to us by the Federal Reserve Bank in a data file (i.e., batched). ACH debits include, for example, automatic bill payments that you have authorized. ACH debits may be arranged by you with a payee (such as your utility company or insurance company), or in person at a Credit Union branch. ACH debits are posted on the settlement date.
- **ATM Withdrawals, Teller Withdrawals, Online and Telephone Transfers.** When you make a withdrawal at an ATM or teller, or an online or telephone transfer, it is processed individually and deducted from your Account immediately.
- **Checks.** When you write a check, the check may be processed through a clearing unit, such as a Federal Reserve Bank, which sends us multiple checks in a clearing file or batch. Checks you write on your Account that are cashed at any of our branches are processed individually and deducted from your Account immediately.

- **PIN-Based Purchase Transactions.** A Personal Identification Number (PIN)-based purchase transaction occurs when your debit card or ATM card is used to make a purchase and the merchant processes the transaction through a PIN debit network, such as Star or Interlink. (A purchase transaction may be a PIN-based transaction even if the merchant does not require you to enter your PIN.) A PIN-based purchase transaction is similar to an ATM withdrawal because money is typically deducted from your Account immediately at the time of the transaction.
- **Signature-Based Purchase Transactions.** A signature-based purchase transaction occurs when your debit card or ATM card is used to make a purchase and the merchant processes the transaction through a signature-based network, such as Visa. The merchant may require you to sign for the purchase instead of entering a PIN. (In some situations, the merchant may not require a signature, such as for an internet purchase or for a purchase below a certain dollar amount.) Signature-based purchase transactions may be processed individually or batched, depending on the merchant.

PRE-AUTHORIZATION COMMITMENTS. A merchant may seek pre-authorization to guarantee that it will be paid for a purchase transaction made with a debit card or ATM card. When this happens we generally reduce your available balance by the amount of the pre-authorization commitment. We reduce your available balance as we receive (and accept) the pre-authorization request, but your current balance is not affected until the transaction is processed by the merchant and submitted to us for payment. This can happen instantly or sometimes days after the transaction, depending on the merchant. These payment requests generally are received in real time throughout the day and are immediately posted to your Account.

Please note: The amount of a pre-authorization commitment may differ from the actual payment because the final transaction amount may not be known to the merchant when the merchant submits a pre-authorization request. For example, a restaurant may request a pre-authorization commitment on your Account for the amount of your bill, but when the transaction posts it may be for an amount that includes a tip that you authorized. A difference in amount may also happen when you use your debit card or ATM card at gas stations, hotels, car rental companies, and other establishments. We cannot control how much a merchant asks us to pre-authorize, or how long a merchant takes to submit a transaction for payment.

PREMIUM OVERDRAFT FOR OVERDRAFTS. If a check, item or transaction is presented without sufficient available funds in your available Account balance to pay it, we may, in our discretion, pay the item or return the item. Our overdraft policy allows us to authorize payment for the following types of transactions regardless of whether your Account has a sufficient available balance: (1) checks and other transactions made using your share draft/checking account, except as otherwise described below; (2) internet bill payments; and (3) ACH transactions.

Please note that for ATM and one-time debit card transactions for consumer checking Accounts, you must affirmatively consent (opt-in) to be considered and approved for our Premium Overdraft overdraft service for such coverage. Without your consent, we may not authorize an ATM transaction or a one-time debit card transaction if your consumer checking Account does not have sufficient available funds. If you do not opt-in, we may not authorize a debit card transaction and it may be refused by the merchant where you are using your card. Contact the Credit Union to opt-in to be considered for our Premium Overdraft overdraft service for ATM transactions and one-time debit card transactions. You can opt out of this service at any time.

Premium Overdraft, OVERDRAFT AND RETURNED ITEM FEES. We will assess one of the following fees: a Premium Overdraft, debit card overdraft or returned item fee, if your current balance is insufficient when we receive a payment to post to your Account, regardless of whether or not we pay the item. You may be charged more than one fee if multiple transactions are submitted for payment when the current balance in your Account is insufficient (overdrawn). Your Account may be assessed up to a total of five (5) Premium Overdraft, debit card overdraft or returned item fees per day. For purposes of this subsection, a day ends no earlier than 7:00 p.m. In some cases, a day may end later at Landmark's sole discretion, but will always be before 11:59 p.m. The fee cap restarts after the end of each day. Please consider the timing of the restart of each day when calculating your expected fees. Subject to applicable limits on fees, you may be charged a fee each time a transaction is submitted for payment, even if the same transaction is submitted for payment multiple times.

Except as otherwise agreed in writing, if we pay items when your available balance is insufficient, we do not agree to pay them in the future and may discontinue coverage at any time without notice. If we pay these items or impose a fee when your current balance is insufficient, you agree to pay the insufficient amount. You also agree to pay the fee assessed by us in accordance with our standard overdraft services or any other service you may have authorized with us, or if you do not have such protections with us, in accordance with any overdraft payment policy we have, as applicable.

OVERDRAFT PROTECTION PROGRAM. If we have approved an overdraft protection program for your share draft/checking Account, we may honor debit transactions when your Account has insufficient available funds by transferring funds from another Account or a line of credit, as you have directed, or as required under the Credit Union's overdraft policy. We will transfer an amount required to cover the transaction and the Overdraft Transfer Fee or all available funds, whichever is less. We will charge you an Overdraft Transfer Fee only if the funds transferred, in addition to the available balance in your checking Account, are sufficient to cover the transaction. The fee for overdraft transfers, if any, is set forth in the Fee Schedule. Please note, unlike the Premium Overdraft or the overdraft fees, this Overdraft Transfer Fee will be charged for every transaction that is fully covered by a transfer to your checking Account. This means that the fee may be charged even when your current balance is sufficient to cover the transaction. You may avoid this fee by transferring funds to your checking Account via Mobile and Digital Banking, at any of our branches or ATMs or by contacting our Member Service Center before you initiate the transaction that would exceed your available balance. Contact the Credit Union to enroll in the Overdraft Protection Program.

LINKING A LINE OF CREDIT. If you have a Kwik Cash Loan or a Home Equity Line of Credit with us, you may link your Kwik Cash Loan or Home Equity Line of Credit to your share draft/checking Account through our Overdraft Protection Program. When funds are drawn from your Kwik Cash Loan or Home Equity Line of Credit, the same Overdraft Transfer Fees will apply and interest is assessed in accordance with the terms of the Kwik Cash Loan or Home Equity Line of Credit Account, as applicable. Contact the Credit Union if you want to apply for a Kwik Cash Loan or Home Equity Line of Credit. When you obtain the Kwik Cash Loan or Home Equity Line of Credit, remember to add it to your Overdraft Protection Program.

MINIMIZING FEES. The best way to know the amount of available and current funds you have and to avoid paying overdraft or returned item fees is to record and track all of your transactions closely, including pre-authorization commitments, outstanding checks, ACH debits, internet bill

payments, Online and Mobile Banking transfers, Private Line Phone Banking via phone transactions, restrictions on deposits (or returned deposits), garnishments and other items that reduce your available balance. When in doubt as to the amount of a pre-authorization commitment, we suggest you ask the merchant what its policy is, and how long it takes for the transaction to be submitted for payment.

IF YOU DO NOT UNDERSTAND THIS DISCLOSURE, HAVE ANY QUESTIONS, OR WOULD LIKE MORE INFORMATION, PLEASE CONTACT our Member Service Center at (262)796-4500.

Effective September 2022