

**Gulf Credit Union**  
**Discretionary Privilege Pay Disclosure**

It is the policy of Gulf Credit Union to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Deposit Account Agreement and Disclosure 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 Gulf Credit Union with regard to your checking account. The Deposit Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Privilege Pay Disclosure and the Deposit Account Agreement and Disclosure. A copy of the Deposit Account Agreement and Disclosure is available to you on request from your Gulf Credit Union officer.

The Privilege Pay is not a line of credit. However, if you inadvertently overdraw your account, we will have the discretion to pay the overdraft, subject to the limit of your then-existing Privilege Pay limit and the amount of the overdraft fee. Gulf Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by Gulf Credit Union of an overdraft check (or item, such as an ATM withdrawal) does not obligate Gulf Credit Union to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

Pursuant to Gulf Credit Union's commitment to always provide you with the best level of service, now and in the future, if you maintain your account in good standing, which includes at least:

- A) Bringing your account to a positive balance within every thirty-five (35) day period for a minimum period of 1 business day;
- B) Not being in default on any loan or other obligation to Gulf Credit Union and
- C) Not being subject to any legal or administrative order or levy,

Gulf Credit Union will have the discretion to pay overdrafts within the Privilege Pay limits, but payment by Gulf Credit Union is a discretionary courtesy and not a right of the member or an obligation of Gulf Credit Union. A Privilege Pay limit of \$300 will be given the following business day after account opening to eligible checking accounts. Thirty (30) days after account opening, this privilege for consumer checking accounts with a positive balance will generally be increased to a maximum of \$700 Privilege Pay (negative) balance. Thirty (30) days after account opening, this privilege for business checking accounts with a positive balance will generally be increased to a maximum of \$1,000 (negative) balance. Of course any and all fees and charges, including without limitation, the non-sufficient funds fees (as set forth in our fee schedules and deposit account agreement and disclosure), will be included as part of this maximum amount. It may be possible that your account will become overdrawn in excess of the Privilege Pay amount as a result of the assessment of a fee.

The total of the discretionary Privilege Pay (negative) balance, which includes any and all fees and charges, including all non-sufficient funds/Privilege Pay fees is due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Deposit Account Agreement and Disclosure. Our standard Privilege Pay fee of \$30 will be imposed for overdrafts created by checks, ACH, ATM withdrawals, everyday debit card transactions, in-person withdrawals, or by other electronic means.

While Gulf Credit Union will have the discretion to pay overdrafts on accounts in good standing (as described above), any such payment is a discretionary courtesy, and not a right of the member or an obligation of Gulf Credit Union and Gulf Credit Union in its sole and absolute discretion, can cease paying overdraft at any time without prior notice of reason or cause. If you do not maintain your account in good standing, the Privilege Pay limit will be removed.

For our consumer members, Gulf Credit Union will not pay overdrafts for ATM or everyday debit card transactions unless Gulf Credit Union has provided you with the notice required by §1005.17(b) of Regulation E and you have opted in to the payment of these overdrafts. In order to avoid overdrafts due to ATM and everyday debit card transactions, Gulf Credit Union will place a hold on your account for any ATM or everyday debit card transaction authorized until the transaction settles. ATM and everyday debit card transactions usually settle within two business days after the transaction is authorized. The amount of the hold will be for the amount authorized, or as permitted under applicable payment network rules. Holds on authorized ATM and everyday debit card transactions will be removed prior to settlement where required by applicable payment network rules.

Both consumer and commercial members may discontinue having Privilege Pay cover future transactions at any time by contacting one of our Member Services Representatives.

October 1, 2013