



Life happens! LOC understands that unexpected overdrafts occur from time to time – Overdraft Coverage can help.

Overdraft Coverage Options

The choice is yours. Consider these ways to cover overdrafts:

Service	Cost
Overdraft Protection Link to Another Deposit Account you have at LOC ¹	\$5 fee per transfer
Overdraft Protection Line of Credit ^{1, 2}	Subject to interest
Overdraft Privilege	\$30 Overdraft Fee per item.

¹Call us at (800) 837-4562 or come by a branch to sign up or apply for these services; ²subject to credit approval.

Overdraft Protection services apply to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account or line of credit you may have at LOC for a fee or finance charge. Please note that overdraft lines of credit are subject to credit approval.

Overdraft Privilege allows you to overdraw your account up to the disclosed limit for a fee in order to pay a transaction. Even if you have overdraft protection, Overdraft Privilege is still available as secondary coverage if the other protection source is exhausted. Please review the “What Else You Should Know” section included with this letter for other important information.

Transactions Covered with Overdraft Privilege	Standard Coverage (No action required)	Extended Coverage (Your consent required) *	If you would like to select Extended Coverage for future transactions: <ul style="list-style-type: none"> • Call us at (800) 837-4562 • Complete the online consent form found at locfederal.com/overdraft-form • Visit any branch • Complete the enclosed consent form and mail it to us at 22981 Farmington Road Farmington, MI 48336
Checks	X	X	
ACH - Automatic Debits	X	X	
Recurring Debit Card Payments	X	X	
Online Bill Pay Items	X	X	
Internet Banking Transfers	X	X	
Telephone Banking	X	X	
Teller Window Transactions	X	X	
ATM Transactions		X*	
Everyday Debit Card Transactions		X*	

*If you choose Extended Coverage, **ATM withdrawals and everyday debit card transactions** will be included with the transactions listed under Standard Coverage

You can discontinue the Overdraft Privilege in its entirety by contacting us at (800) 837-4562.



What Else You Should Know

- For our checking accountholders, a link to your savings or another LOC account or a line of credit may be a less expensive option than an overdraft. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts. Good account management is the best way to avoid overdrafts. Use our mobile banking, online banking, and telephone banking services to keep track of your balance. For additional financial education resources, please visit www.mymoney.gov.
- For consumer and business accounts, there is no limit on the total Overdraft Fees per day we will charge.
- This describes the posting order for purposes of determining overdrafts. Our general policy is to post items throughout the day and to post credits before debits. Paper checks and ACH are posted lowest to highest dollar amount, while ATM and debit card transactions are real time and posted as soon as the transaction is submitted. However, because of the many ways we allow you to access your account, the posting order of individual items may differ from these general policies. Checks, drafts, transactions, and other 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 item, and execute other transactions on your account in any order we choose on each day they are presented for payment. Holds on funds (described herein) and the order in which transactions are posted may impact the total amount of Overdraft Fees or Returned Item Fees assessed.
- Although under payment system rules, LOC may be obligated to pay some unauthorized debit card transactions, LOC will not authorize debit card or ATM transactions unless there are available funds (including Overdraft Coverage Options) to cover the transactions and any fee(s).
- Giving us your consent to pay everyday debit card and ATM overdrafts on your consumer account (Extended Coverage) may result in you incurring Overdraft Fees for transactions that we would otherwise be required to pay without assessing an Overdraft Fee. However, this would allow us to authorize transactions up to the amount of your Overdraft Privilege limit and may also help you avoid overdrafts in excess of your available balance that could result in restriction of your debit card. If you consent to Extended Coverage on your consumer account, it will remain on your account until you otherwise withdraw it.
- LOC authorizes and pays transactions using the available balance method. LOC may place a hold on deposited funds in accordance with our Funds Availability Policy Disclosure, which will reduce the amount in your available balance. The available balance for checks, ACH items, and recurring debit card transactions is comprised of the ledger balance, less any holds on deposited funds and any debit card holds, plus the amount of the Overdraft Privilege limit and any available overdraft protection. The available balance for ATM and everyday debit card transactions on accounts with Standard Coverage is the ledger balance, less any holds on deposited funds and any debit card holds, plus any available overdraft protection, but does NOT include the Overdraft Privilege Limit. For accounts with Extended Coverage, the Overdraft Privilege Limit is included in the available balance for authorizing ATM and everyday debit card transactions.
- Please be aware that the Overdraft Privilege amount is not included in your available balance provided through online banking, mobile banking or LOC 's ATMs.
- LOC will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction. When the hold ends, the funds will be added to the available balance in your account. If your account is overdrawn after the held funds are added to the available balance and the transaction is posted to the available balance, an Overdraft Fee may be assessed.
- Except as described herein, LOC will not pay items if your account does not contain available funds (including the Overdraft Privilege limit) to cover the item(s) and the amount of any fee(s).
- LOC may restrict your debit card to PIN based transactions if you incur overdrafts in excess of the available balance in your account, including any Overdraft Privilege limit (as described herein). On the first occurrence, LOC will contact you by phone to remind you of the overdraft coverage options and services that are available to help you avoid these transactions. Debit cards on your account will remain restricted until you make sufficient deposits so that your available balance, taking into account any Overdraft Privilege limit, is positive.
- We will charge a fee of \$25 to reinstate your debit card if we restricted your Debit Card.
- If your debit card is restricted and if you use your debit card for recurring payments, e.g., utilities, you are responsible to make other arrangements for your recurring debit payment(s).
- An Overdraft Privilege limit of \$750 will be granted to eligible Consumer and Business checking accounts opened at least 1 day in good standing. An Overdraft Privilege limit of \$300 is granted to Savings accounts opened at least 1 day.

- Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Overdraft Privilege may be discontinued if you default on any loan or other obligation to us, your account becomes subject to any legal or administrative order or levy, or if you fail to maintain your account in good standing by not bringing your account to a positive balance within 32 days for a minimum of one business day. You must bring your account balance positive for at least one business day to have Overdraft Privilege reinstated.
- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Membership and Account Agreement. The total (negative) balance, including all fees and charges, is due and payable upon demand.

If you have any questions about Overdraft Protection or Overdraft Privilege, please call us at (800) 837-4562 or visit a branch.