
Wave Federal Credit Union OVERDRAFT POLICY

It is Wave Federal Credit Union's policy to utilize the JMFA OVERDRAFT PRIVILEGE® program to manage members' share draft accounts and build good relationships with members using the service. However, when a member exceeds their privilege limit, our policy is not to permit further overdrafts. Under certain circumstances, because of technical problems or member relations, it may be necessary, or Wave Federal Credit Union may choose to make an exception to this policy. The President/CEO and Executive Vice President/COO will have the authority and responsibility for approving all overdraft accounts exceeding \$1,000. Vice President of Operations will have authority and responsibility for approving all overdrafts exceeding the customer's Overdraft Privilege limit up to \$1,000. The maximum Overdraft Privilege limit per member should not exceed \$2,000. Wave Federal Credit Union will disclose and charge a fee of \$25 per item paid into overdraft which is the same fee charged for items that are returned. It is our policy that these overdrafts must be covered within 30 day of the first occurrence of an overdraft or the privilege limits will be revoked. Members will be notified of such removal.

The executive committee from time to time will set a cap on the total dollar amount of all overdrafts consistent with Wave Federal Credit Union's ability to absorb losses; at present the limit established is \$100,000. If total overdrafts exceed 60 percent of this amount, Wave Federal Credit Union will monitor total overdrafts on a daily basis. If total overdrafts exceed 80 percent of this amount, Wave Federal Credit Union will begin to limit total overdrafts to assure that total overdrafts do not exceed this limit.

It is the policy of Wave Federal Credit Union to allow employees to participate in the Overdraft Privilege program on the same basis as all other Wave Federal Credit Union members. Fees will be charged for these overdrafts at Wave Federal Credit Union management's discretion. Officers who are identified as insiders will be excluded from participation in the program.

Upon each occurrence of an overdraft, Wave Federal Credit Union will immediately notify the member by mail of the negative balance of the account and all fees assessed. The Overdraft Privilege Administrator will utilize periodic mail and/or telephone contact with the member in order to bring the account to a positive balance. All accounts that remain in a negative status will be charged off by the 45th day or sooner if deemed to be uncollectible. Wave Federal Credit Union will endeavor to identify heavy users, and contact them to see if they qualify for any other program or solution available. Wave Federal Credit Union will counsel with willing heavy users on appropriate money management techniques that would avoid frequent overdrafts.