WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

An overdraft occurs when you do not have sufficient available funds in your account to cover a transaction, but we pay it anyway. We look at the available balance when determining whether there is an overdraft. The available balance is the actual balance minus any deposits or withdrawals that are on hold or transactions that have been preauthorized but have not yet been debited from your account, such as gas station purchases, hotel or car reservations and other such items. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account.
2. We offer another overdraft protection plans, such as a link to a savings account, or a Personal Line of Credit (Moneyline Loan), which may be less expensive than our standard overdraft practices. To learn more, ask us about this plan.

This notice explains our standard overdraft practices.

➢ **What are the standard overdraft practices that come with my account?**

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments
- Recurring debit card transactions

We do not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below).

- ATM transactions
- Everyday debit card transactions

We pay overdrafts at our discretion, which means we **do not guarantee** that we will always authorize and pay any type of transaction. **If we do not** authorize and pay an overdraft, your **transaction will be declined**.

➢ **What fees will I be charged if LOC pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of up to **$30** each time we pay an overdraft
- **There is no limit** per day on the total fees we can charge you for overdrawing your account

➢ **What if I want LOC to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

FOR ADDITIONAL IMPORTANT INFORMAITON CONCERNING OVERDRAFTS, PLEASE REFER TO SECTION 13 OF YOUR MEMBERSHIP AND ACCOUNT AGREEMENT AND THE INFORMAITON SET FORTH IN "WHAT ELSE YOU SHOULD KNOW: YOUR LIABILITY FOR OVERDRAFTS".

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call (800) 837-4562, visit any branch and speak with a representative, enroll via online banking, complete the form below and present it at a branch or mail it to: 22981 Farmington Road Farmington, MI 48336. You can revoke your authorization for LOC to pay these overdrafts at any time by any of the above methods. Your revocation must include both your name and your account number so that we can properly identify your account.

____________**I do not** want LOC to authorize and pay overdrafts on my ATM and everyday debit card transactions.

____________**I want** LOC to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Signature: ____

Printed Name: ____

Date: ____

Account Number: ____