

**HealthNet Federal Credit Union**  
**SAFETYNET**  
**Over Draft Privilege Pay Service**  
**Service Disclosure**

It is recognized that an instance where an inadvertent overdraft of a checking account may occur. While this practice is not encouraged in the spirit of prudent consumer money management, when an overdraft does occur, the SAFETYNET program can assist in paying the item or items presented for payment against insufficient collected funds.

**Over Draft Sequence**

HealthNet Federal Credit Union (“HealthNet”) follows a specified overdraft sequence for payment of items against an insufficient fund balance. As previously disclosed in our Deposit Account Agreement, a transfer may be made from a member’s savings account to cover an item. The next avenue available is the use of our Over Draft line of credit. This is a loan product that requires prior approval in conformity with our existing loan policy for this product. Once these means of covering an overdraft have been depleted, then the availability of the SAFETYNET program begins. If qualified, as specified in our parameters, the program is utilized to cover insufficient items up to a maximum (\$600.00 currently) in aggregate balances including the associated fees for use of the program.

**Over Draft Line of Credit Distinguished**

Our Over Draft line of credit is a loan product that is utilized in paying presented items when the collected funds balance in the checking account is insufficient. This loan has a stated annual percentage rate (APR) of interest and is repayable in bi-weekly or monthly installments as disclosed at the time of approval of this loan. Members may make an application for this loan product at any time after the checking account is opened. There is not a per item fee (NSF Fee) charged when this loan is used. This line of credit remains in place for continual use as long as the accounts remain in good standing and the loan is approved in amounts not to exceed \$1,000.00.

**SAFETYNET Service**

SAFETYNET is an overdraft protection service offered in connection with share draft accounts. As a courtesy to our members, items presented for payment against insufficient fund balances can be paid into an overdraft status. A fee is charged per item paid. The resulting outstanding balance must be repaid within 30 days of occurrence. This service does not imply or express any guarantee of payment of any item that may result in an overdraft.

**Right of Payment Refusal**

As with any overdraft protection program, both expressed and implied, HealthNet reserves the right to refuse payment of an item that may cause an account to become overdrawn regardless of the type or nature of a product or service that is available for use by the membership.

Excessive use of any overdraft protection or payment program is not encouraged in the course of prudent consumer money management. Excessive overdrafts can lead to suspension or cancellation of overdraft payment services. There is no guarantee of payment of items presented against insufficient funds balances.

**Opt Out of Service**

Where an account or service may be “Free” in the sense of monthly or recurring service charges, any and all overdraft protection programs are subject to fees and charges as disclosed in the individual product offerings. These are standalone product enhancements that are not exempt from fees and finance charges previously disclosed.

Members that qualify for the SAFETYNET program will be notified in writing or electronic transmission (email) of the availability of the service and their right to "Opt Out" of the program. Members wishing to be removed from the service availability must submit in writing their request that this overdraft protection service be discontinued from the overdraft sequence of paying presented items against their share draft accounts. This does not alter or terminate that service of transferring funds from a basic share savings account to cover insufficient items. This was previously disclosed at the time the savings account was opened.

### **Notification of Service**

Members are re-qualified at the end of the calendar month following the original notification of being approved for the SAFETYNET service. This service may be suspended or terminated depending on the activity in the account. This in no way implies that the outstanding balance that may be due and payable is not to be repaid. All overdraft balances, including accumulated fees, must be paid immediately or become subject to collection practice consistent with those that are employed in the collection of any debt owed to HealthNet Federal Credit Union.

### **Service Fees**

Each time an item is presented for payment against an insufficient funds balance, should the item be paid, a fee (as of July 2013, \$35.00 – For current NSF fees, please see our fee schedule posted on our website,) is charged per item. This fee and the associated item or items paid, will be paid up to a maximum limit of \$600.00. Any items presented after the \$600.00 limit is reached, will be assessed an NSF and return unpaid fees. Once the overdraft balance has been repaid, the limit of service, \$600.00, may be used for future items presented for payment. This service applies to any overdraft item on any of my accounts.

### **Item Processing**

Transactions may not be processed in the order in which they occurred. Items are processed as received and accordingly, some items could result in non-payment because of funds availability. Members are responsible for the management and record keeping of transactions processed against their accounts.

### **Report of Transactions**

Each month your regular share draft statement will clearly indicate the amount, date, and item that was paid using SAFETYNET. Following each transaction, the fee associated with the transaction will be identified.

### **Notice**

Any correspondence, questions or inquiries regarding the SAFETYNET service are to be directed in writing to:

HealthNet Federal Credit Union  
1591 Chickering Lane  
Cordova, TN 38016