

Honeywell

Federal Credit Union

returned
check

fees
driving you
crazy?

announcing the new

HFCU Overdraft Privilege

HFCU Overdraft Privilege

March 8, 2004

Dear Valued Member,

We are pleased to announce a FREE new member service called **Overdraft Privilege!** If you are eligible, this new service will add value to your account.

If you've ever made a mistake in your checkbook, been short of cash, or you've encountered unusual or unforeseen expenses, this service may help.

Overdraft Privilege can mean...

- > avoid returned check fees
- > new convenience and flexibility in managing your funds
- > payment of overdrafts up to \$700 (\$400 on free checking accounts) will normally be considered

Effective immediately, we have added convenient **Overdraft Privilege** to eligible personal checking accounts.

Pay only \$25 per overdraft instead of up to \$75* if you are eligible for Overdraft Privilege!

Rather than automatically returning, unpaid, any non-sufficient fund items that you may have, we will consider, without obligation on our part, payment of your reasonable overdrafts, as long as you maintain your account in good standing.

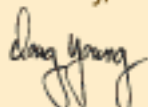
We will charge our normal HFCU \$25 overdraft item fee, as set forth in our fee schedules, for each item that would create an overdraft on your account. Of course, we cannot promise to pay every overdraft, not all accounts are eligible, and some restrictions do apply. (See the **Overdraft Privilege Policy** on reverse.)

Overdraft Privilege is easy...

- > no action is required of you
- > sign no additional documents
- > costs nothing unless used

This is a great new service that adds value to your account! Please contact us with any questions.

Sincerely,



Doug Young
President, CEO

The only thing that is better
NCUA
Member since 1970

* based on up to \$50 merchant return check fee plus HFCU \$25 overdraft item fee

Overdraft Privilege Policy

A discretionary overdraft service

Honeywell Federal Credit Union ("the credit union," we, us or our") will offer **Overdraft Privilege** to qualified members for consumer checking accounts. **Overdraft Privilege** is offered as a discretionary service whereby we may honor member overdrafts as opposed to returning items. We continue to collect the customary fee for each overdraft item, while helping protect you from credit and debit bureau problems, merchant fees, and potential embarrassment associated with returned checks and ACH items. It is our policy to comply with applicable laws and regulations, and to conduct business in accordance with safety and soundness standards.

A non-sufficient funds (negative) balance may result from: a) the payment of checks, electronic funds transfers, or other withdrawal requests; b) payments authorized by you; c) the return, unpaid, of items deposited by you; d) the imposition of applicable service charges; or e) the deposit of items which according to the credit union's Funds Availability and Check Collection Policy are treated as not yet "available" or finally paid.

We are not obligated to pay any item presented for payment if your account does not contain sufficient collected funds. Rather than automatically returning, unpaid, any non-sufficient funds items that you may have, if your eligible account (primarily used for personal and household purposes) has been open for at least thirty (30) days and thereafter you maintain the account in good standing, which includes at least: a) continuing to make deposits consistent with your past practices, and depositing an aggregate of at least \$400 or more into the account for each thirty-five (35) day period, b) you are not past due thirty (30) days or more on any loan obligation to the credit union, c) you bring the account to a positive balance (not overdrawn) at least once every thirty-five (35) days, and d) your account is not the subject of any legal or administrative order or levy, **we will consider, without obligation on our part, approving your reasonable overdrafts.** This discretionary service* will generally be limited to a \$400 overdraft (negative) balance for Free Checking accounts, \$700 overdraft (negative) balance for other eligible personal checking accounts or a \$1,000 overdraft (negative) balance for other eligible personal checking accounts with a recurring monthly direct deposit (subject to approval). Any and all fees and charges, including without limitation, the credit union's non-sufficient funds/overdraft fees (as set forth in our fee schedules) will be included in this limit and will apply to any transaction that overdraws your account.

We may refuse to pay an overdraft for you at any time, even though the account is in good standing and even though we have previously paid overdrafts for you. You will be notified by mail of any non-sufficient funds items paid or returned that they may have; however, we have no obligation to notify you before an item is paid or returned. **The amount of any overdraft plus Non-Sufficient Funds and/or Overdraft (NSF/OD) Charge(s) that you owe us shall be due and payable upon demand.** If we pay an overdraft on an account with more than one (1) owner on the signature card, each owner, and agent if applicable, drawing/presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts plus the Non-Sufficient Funds and/or Overdraft (NSF/OD) Charge(s).

LIMITATIONS: Available only to eligible personal checking accounts primarily used for personal and household purposes. All Business Type Accounts, All Savings Type Accounts, All Money Market Accounts, All Public Fund/Charitable Organization Accounts and Student Minor Accounts are not eligible. The credit union may limit the number of accounts eligible for **Overdraft Privilege** to one account per household.

*Overdraft Privilege does not constitute an actual or implied agreement between you and the Credit Union. Nor does it constitute an actual or implied obligation of or by the credit union. This service represents a purely discretionary courtesy or privilege that we may provide to you from time to time and which may be withdrawn or withheld by us at any time without prior notice, reason or cause.

Honeywell

Federal Credit Union

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