THE NEW ELECTRONIC FUNDS TRANSFER ACT REQUIRES YOU TO MAKE A CHOICE AFFECTING YOUR CHECKING ACCOUNT. ENCLOSED IS A FORM THAT REQUIRES YOUR IMMEDIATE ATTENTION AND ACTION.

On November 12, 2009, the Federal Reserve finalized changes to Regulation E, which implements the Electronic Funds Transfer Act that affects Overdrafts caused by ATM and one-time debit card transactions.

This regulatory change requires you to notify us whether you want us to pay ATM or one-time debit card transactions when you do not have enough money in your account to cover the transaction.

HOW YOUR ACCOUNT WORKS TODAY

Our current overdraft practice is to rely on your financial history to assist us in determining whether or not to pay an overdrafting ATM or one-time debit transaction allowing your account to overdraft to a negative balance. For this overdraft ability your account typically is assessed fee. In order for you to continue this service we need your consent authorizing us to do so. By doing so, these advantages offered will continue:

- **Convenience** – May allow your debit card purchases to be approved when you have insufficient funds.
- **Flexibility** – May allow you to make a purchase even if you can't make a deposit or transfer money until later that same day.
- **A Safety Net** – May cover you if you have an unexpected expense, such as a car tow.
- **Emergency Backup** – May allow you to use your debit card in an emergency, even if you don't have enough money in your account.

WHAT DO YOU NEED TO DO?

Please complete and return the enclosed form to CY-CO Federal Credit Union or call (504) 431-6577, to notify us of your decision:

- If you **DO** authorize us, then we may pay at our discretion any ATM or debit card transaction that is processed when you do not have adequate funds in your account. This will create an overdraft, and you may be charged a $30.00 fee. Of course, we retain the right to pay or not pay any items when there is not enough money in your account to cover the transaction.
- If you **DO NOT** authorize us, then any ATM or debit card transaction that is processed when you do not have adequate funds in your account will be declined.

Your decision is required regarding whether we should pay or not pay ATM and one-time debit card transactions. If you do not respond to this letter, we will interpret your non-response as directing us to NOT pay ATM or debit card transactions when you do not have sufficient funds in your share draft account.

The government set an implementation date of August 15, 2010. Therefore, your decision for us to pay or not pay ATM and debit card transactions presented without sufficient funds will NOT be effective until August 15, 2010. Until that time, we will continue to follow our typical overdraft practices.

We value your membership and look forward to continuing to serve your financial needs. If you have any questions, or need assistance with your account, please call 504-431-6577, or visit our website at www.cycofcu.org.

WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account.
2. We also offer overdraft protection plans, such as a link to a share/savings account or overdraft line-of credit, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

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:

- Share drafts/checks, and other transactions made using your checking account
- Automatic bill payments
- ACH transactions

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

- ATM transactions
- Everyday debit card transactions (any one –time transactions including a point-of-sale transaction, an on-line transaction, or a telephone transaction).

This policy applies to overdrafts for ATM and everyday debit card transactions occurring-

(1) On or after August 15, 2010, for accounts opened prior to July 1, 2010, or

(2) On or after the date an account is opened for accounts opened on or after July 1, 2010.

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 the Credit Union pays my overdraft?

Under our standard overdraft practices:

- We will charge you a fee of $30.00 each time we pay an overdraft.
- There is no limit on the total fees we can charge you for overdrawing your account.

What if I want the Credit Union to authorize and pay overdrafts on my ATM and one-time debit card transactions?

If you want us to authorize and pay overdrafts on ATM and one-time debit card transactions, call 504-431-6577, or complete the form below and mail it to CY CO FEDERAL CREDIT UNION, 10800 River Road, Westwego, LA 70094. ***(You have the right to revoke your authorization at any time by contacting us using one of the authorization methods listed above.)***

If there are multiple owners on the ATM and/or debit card account, either account owner can act on behalf of all owners on this account. Only one (1) account owner signature is needed to add or remove the overdraft coverage.

ADD COVERAGE ☐ I want the Credit Union to authorize and pay overdrafts on my ATM and one-time debit card transactions. I understand I will be charged fees as listed above.

REMOVE COVERAGE ☐ I do not want the Credit Union to authorize and pay overdrafts on my ATM and one time debit card transactions.

_____ _____

Printed Name Member Number

X _____

Member/Owner Signature **Date**

CREDIT UNION CONSENT CONFIRMATION

X _____ _____

Member/Owner Printed Name Member Number

☐ Coverage Added

☐ Coverage Removed