



Preferred Credit Loan

Preferred Credit Loan provides overdraft protection for the primary account. This is an unsecured line of credit that requires credit approval, and it has a specific purpose of funding the primary account if the Available Balance at the end of the business day in the primary account is negative \$.01 or more (consumers). Funds are advanced on the credit loan account and transferred to the primary account to cover the negative Available Balance (generally in increments of \$100). You must apply for and be approved for a Preferred Credit Loan before the Preferred Credit Loan can be activated. The funds advanced are subject to fees and finance charges under the Preferred Credit Loan agreement. A monthly interest rate is assessed on the outstanding balance of the Preferred Credit loan.

Please note that if an account has a Preferred Credit loan, the unused credit limit of the loan is added to the primary account's Available Balance, and this combined amount is used to authorize ATM and everyday debit card transactions at the ATM or point-of-sale terminal. The system will use the Preferred Credit unused credit limit to authorize these transactions even if the client has opted out of ATM/Debit Card Overdraft Coverage for the Overdraft Privilege Service.

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