



(888) 354-6228
www.orangecountyscu.org

Debit/ATM Card Courtesy Pay Overdraft Protection Agreement

Please apply this consent to the following checking accounts:

Account Name	Account Number	Share #

WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

An overdraft occurs when you do not have enough money in your available balance at the time a transaction is presented to us for payment, 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 PAL (Pre-Approved Line of Credit)**, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

* Transfer limits apply see limitations on frequency of transfers in the Account Agreement, Truth-in-Savings and Electronic Funds Transfer Disclosure Agreement.

**An approved PAL is required.

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

Unless you ask us to, we **do not** authorize and pay overdrafts for the following types of transactions:

- 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 THE CREDIT UNION PAYS MY OVERDRAFT?

Under our **standard overdraft practices**:

- A Courtesy Pay Overdraft or Non-Sufficient funds fee is charged when the available balance in your account or overdraft source is not enough to cover a transaction that is presented to us for payment.
- You will be charge a fee of \$29 each time a transaction is presented to us for payment even if the same transaction is presented for payment multiple times.
- Courtesy Pay Overdraft Fee Limit - A maximum of 3 fees per day that exceed the available balance in your account. Items paid over 3 per day that exceed the available balance in your account will be paid and no fee will be assessed.
- We will not charge a Courtesy Pay Overdraft Fee if your account balance is overdrawn by \$5 or less.

YOUR CHECKING ACCOUNT BALANCE. Your checking account has two kinds of balances: the “actual” balance and the “available” balance. Both can be checked when you review your account online, at an ATM, by phone, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. This section explains actual and available balances and how they work.

Your **actual** balance is the amount of money that is actually in your account at any given time. It reflects transactions that have “posted” to your account, but not transactions that have been authorized and are pending. While the term “actual” may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted will not appear in your actual balance. For example, if you have a \$50.00

actual balance, but you just wrote a check for \$40.00, then your actual balance is \$50.00 but it does not reflect the pending check transaction. So at that point, you actually have \$50, but you have already spent \$40.

Your **available** balance is the amount of money in your account that is available to you to use without incurring an overdraft fee. The available balance takes into account things like holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. For example, assume your actual and available balance are both \$100, and you swipe your debit card at a restaurant for \$60. As a result, your available balance will be reduced by \$60 so your available balance is only \$40. Your actual balance is still \$100. Before the restaurant charge is sent to us for posting, a check that you wrote for \$50 clears. Because you have only \$40 available (you have committed to pay the restaurant \$60), your account will be overdrawn by \$10, even though your actual balance was \$100 before the check posted and is still \$50 after the check posts. In this case, we may pay the \$50 check, but you will be charged an overdraft fee of \$29. That fee will be deducted from your account, further reducing the balance. Also, when the \$60 restaurant charge is presented to the Credit Union and posted to your account, you will not have enough money in your available balance because of the intervening check, and you will be charged a fee for that transaction as well, even though your available balance was positive when it was authorized.

Available balance is used to determine when your account is overdrawn. The following example illustrates how this works: Again, assume your actual and available balance are both \$100, and you swipe your debit card at a restaurant for \$60. As a result, your available balance will be reduced by \$60 so your available balance is only \$40. Your actual balance is still \$100. Before the restaurant charge is sent to us for posting, a check that you wrote for \$50 clears. Because you have only \$40 available (you have committed to pay the restaurant \$60), your account will be overdrawn by \$10, even though your actual balance was \$100 before the check posted and is still \$50 after the check posts. In this case, we may pay the \$50 check, but you will be charged an overdraft fee of \$29. That fee will be deducted from your account, further reducing the balance. Also, when the \$60 restaurant charge is presented to the Credit Union and posted to your account, you will not have enough money in your available balance because of the intervening check, and you will be charged a fee for that transaction as well, even though your available balance was positive when it was authorized.

It is very important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your available balance may not reflect all your outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and paid from your account.

In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account.

WHAT IF I WANT THE CREDIT UNION TO AUTHORIZE AND PAY OVERDRAFTS ON MY ATM AND EVERYDAY DEBIT CARD TRANSACTIONS?

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, please complete the section below:
I want the Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions. I understand I will be charged fees as listed above.

I have the right to revoke this coverage at any time by contacting the Credit Union in writing, by phone, or electronically.

Signature

Date

Signature

Date