Alabama State Employees Credit Union
PO Box 231150
Montgomery, AL 36123-1150
334-270-9011 or 800-634-9171
www.yourasecu.com

WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

STANDARD OVERDRAFT PROTECTION (COURTESY PAY)

What is an overdraft?

An overdraft occurs when the available balance in your account is not enough to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices called Courtesy Pay that comes with your account, for which you can opt-in below.
2. We also offer overdraft protection plans, such as a link to your other accounts, which may be less expensive than our standard overdraft practices. For more information, see “Overdraft Protection Plans” on Page 2.

This notice explains our standard overdraft practices.

What are the standard overdraft practices under Courtesy Pay?

If you opt-in, we may authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments
- ACH transactions
- Any other transaction from your checking account

Additionally, if you opt-in, we may also 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?

Under our Courtesy Pay program:

- We will charge you a fee of up to **$30.00** each time we pay an overdraft.
- We will charge you an NSF fee of **$30.00** each time we decline a transaction when a transaction is pending on the account and the funds are not available due to a hold.
- We will not pay any overdrafts that cause your checking account to go more than $500.00 into the negative, and will reject the items and charge you an NSF Fee of **$30.00***.

If you do not opt-in to our standard overdraft practices:

- We will charge you an NSF fee of **$30.00** each time we reject an item*.

* A particular item may be presented for payment multiple times. You may be charged an NSF or overdraft fee for each presentment.

What if I want you to authorize and pay overdrafts?

If you want us to authorize and pay overdrafts (including ATM and everyday debit card transactions), call 334-270-9011 or complete the form below and present it at a branch or mail it to: P.O. Box 231150, Montgomery, AL 36123.

You have the right to revoke your consent at any time by contacting us at the above addresses/phone number(s).

I want you to authorize and pay overdrafts on my account for the following transactions:

- Checking account transactions (including checks), Automatic Bill Pay, and ACH Transactions: Opt-in ☐ Opt-out ☐
- ATM and one-time debit card transactions: Opt-in ☐ Opt-out ☐

I understand that my transactions may be declined by the merchant and I may pay an NSF fee for any options that I do not "Opt- In" to above.

Printed Name: _____ Signature: _____

Date: _____ Account Number: _____

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OVERDRAFT PROTECTION PLANS (OVERDRAFT TRANSFER)

You may choose an overdraft protection plan that "links" your accounts in order to cover your overdrafts. *Please see Page 3 for other important information regarding the terms and conditions of our overdraft programs.*

How does it work?

You can tell us to "link" a savings or loan account to your checking account, so if you cause an overdraft, we will transfer money from your linked account to pay the overdraft. If there's not enough money in *any* of your linked accounts, we will follow your instructions for Courtesy Pay on Page 1.

What fees will I be charged?

- A transfer fee of $2.00 each time we transfer funds. This fee is waived if the transfer is from an overdraft line of credit.
- If you have no money available in any of your linked accounts:
  - An NSF fee of $30.00 will be charged each time we reject an item, if you have told us to reject items; or
  - An overdraft fee of $30.00 will be charged each time we pay an item, if you have authorized us to pay overdrafts using our Standard Overdraft Practices.

Also note:

- There is no limit on the total fees we can charge you for overdrawing your account.
- We may increase fees at any time. See our fee schedule for the most current fees.
- A particular item may be presented for payment multiple times. You may be charged an NSF or overdraft fee for each presentment.

YES, link my accounts

☐ **Yes, please transfer money from another savings or loan account to cover my overdrafts (including ATM and everyday debit card transactions).** "Link" my other accounts to my checking account to pay my overdrafts. Use my accounts in the following order:

Write 1 for first choice, 2 for second choice, etc. If there is not enough money or credit available from your first choice, then funds will be transferred from your second choice, etc. You can choose one account or as many as you'd like.

_____ Regular Share Savings Account _____ Club Account _____ Kasasa Saver _____ Super Saver _____ Line of Credit

If you link a line of credit account:

- Funds will be added to the balance and interest will accrue on the entire balance at the rate disclosed in your line of credit agreement.

If you link a savings account:

- The number of transfers may be limited. See your Membership Agreement, Electronic Funds Transfer Agreement, or Truth-in- Savings disclosures for more information.

If there's not enough money in *any* of your linked accounts, we will follow your instructions for Standard Overdraft Practices on Page 1. For example, if you chose not to authorize Standard Overdraft Practices, we will reject any overdraft items if there is not enough money in any of your linked accounts.

NO, don't link my accounts

☐ No thanks, I do not want to link my accounts.

Right To Revoke

You have the right to revoke or change your overdraft elections at any time by contacting us at the above addresses/phone number(s).

Signature

By signing below, I choose the overdraft option checked above. I also acknowledge and agree to the fees and terms described above and in the "Important Terms Regarding Overdrafts" section on Page 3.

X _____ _____

Signature Date

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IMPORTANT TERMS REGARDING OVERDRAFTS

The following terms apply when overdrafts occur on your accounts, regardless of which overdraft service or protection program you choose. This document is incorporated into your Membership and Account Agreement as if fully set forth therein. If the terms of this document are in conflict with terms described in your Membership and Account Agreement, the terms of this document will control. By signing the document entitled, "What You Need to Know About Overdrafts and Overdraft Fees", and by using your checking account, you agree to the following.

Understanding Your Obligations Regarding Overdrafts

- We use available balance to determine whether you incur overdrafts and associated fees.
- We will charge a Nonsufficient Funds fee (NSF) when a transaction is pending but there is not enough money in the account to cover the transaction and we reject the transaction. We will also charge an NSF fee when a transaction is pending on the account and the funds are not available due to a hold. The item may be paid or rejected based on our discretion.
- We pay items in the order they are received, even if such process causes an overdraft. We may honor any item or instruction even if it creates an overdraft or negative balance in your account or if it violates any minimum balance requirement or other requirements of the account, in which case you agree to pay all fees, penalties or other charges imposed on you as well as costs incurred by us.
- Online postings and transactions are not made, and balance information is not updated, in real time or instantaneously.
- Any item or transaction may be presented multiple times when it has been returned unpaid for any reason and we have no control over this. Each presentment will be charged a separate overdraft or NSF fee even if it is on the same item.
- Preauthorization holds for debit card transactions placed on sufficient available funds do not guarantee that an overdraft or NSF item will not occur. Transactions may occur after the preauthorization hold that reduces the balance before the final debit card transaction posts to the account (e.g., a previously written check may clear). In such case, you will be charged an overdraft or NSF fee.
- Having the ability to overdraw, even if you have overdraft protection, does not relieve you of your duty to make sure you have enough money in your account to cover your transactions.
- Excessive or repeated overdrafts can lead to suspension or termination of your checking account.
- It is your responsibility to monitor and balance your accounts. You are responsible for any overdrafts caused by you or any joint owner on your account. You must repay any overdraft amounts and bring your accounts current at least once every 30 calendar days.
- We do not have to notify you if your account does not have enough money to cover drafts, fees or other posted items.
- We may not pay your overdrafts if you are not in good standing with us. Good standing means:
  - You have an account with us for at least 60 days
  - You are age 18 or over
  - You keep or bring the account to a positive balance at least once every 30 days
  - You are not more than 30 days past due on any loans and obligations
  - You have no past charge-offs that have not been fully recovered
  - There are no tax levies, garnishments, or other legal action against your account(s)
- If your overdraft protection service is discontinued for failing to maintain good standing, we may reinstate your overdraft protection service if you bring your status to "good standing" (e.g. bringing your past due loans to current) within 45 days of your overdraft protection service being discontinued.
- We reserve the right to change fees, change programs, or discontinue programs at any time.

NOTE: We have the right to refuse to pay any overdraft in any given situation for any reason. When you tell us how you want overdrafts paid, you are telling us your preference. It does not mean that overdrafts will automatically be paid. You must repay all overdraft amounts.

Understanding your "available balance" versus "actual balance"

Your checking account has two kinds of balances: an "actual balance", and an "available balance". Both balances will change with any given check, debit card, or other transaction as you use your checking account.

What is "actual balance"?

Your "actual balance" is the actual amount of money in your account at any given moment in time. It may be referred to on your statement as "current balance" or simply "balance". It reflects items that have been fully processed and actually posted to your account but not transactions that are still processing or "pending". Some people say these transactions "have cleared my account".

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What is “available balance”?

Your “available balance” is usually a different number than your “actual balance”. Your “available balance” is the portion of your actual balance that is available for immediate withdrawal or to pay other debit items; it takes into account standard funds availability holds under our Funds Availability Policy, as well as any pending debits and credits we have received but not yet posted to your account (for example, preauthorized debit card transactions, pending checks, transfers, withdrawals, or other holds on your account). Items still in process or on hold may be referred to as “pending” on your online banking. The available balance changes throughout the day as transactions occur.

Available balance is the amount of money you have in your account that is available for you to use. This is the number you should use when determining whether any of your items or transactions will cause you to overdraw your account.

The following examples show how your balances work and how an overdraft can occur:

- Assume you have an actual balance of $100.00 and an available balance of $100.00. (This means that all transactions have cleared and you have no pending transactions because you haven’t used your account). Now, if you swipe your debit card at a restaurant for $35.00, a hold will be placed on your account as the transaction is processed, and your available balance will be reduced to $65.00. Your actual balance, however, remains $100.00 until that transaction is actually posted to your account.

  Now assume that a week prior to the transaction at the restaurant, you had written a check to your friend for $75.00. She cashes it while your available balance is $65.00. This will cause an overdraft on your account because the check is for more than the available balance, even though the $35.00 restaurant transaction has not yet posted to your account. The total transactions were $35.00 (restaurant) + $75.00 (check) = $110.00, when your balance was only $100.00. Once both transactions are posted to your account, your actual balance will be negative $10.00 and your available balance will be $0.00. You will need to deposit more money into your account to avoid further overdrafts and fees.
- Assume you just deposited a large check (over $5,000.00) into your checking account this morning. Under federal regulations, we can delay availability of those funds for a certain number of days. If we do so, we will notify you at the time you make the deposit. Until the deposited funds have cleared and the hold has been lifted, you will not have those funds as part of your available balance. So, if your available balance at the time you deposit a $6,000.00 check is $100.00, your available balance will still be $100.00 until the hold is lifted. If you had written a check for $4,000.00 last week and that check is posted before the hold on the $6,000.00 deposit is lifted, an overdraft will occur.

Reliability of Your Available Balance

You can view both your actual balance and available balance online. The available balance and actual balance listed may not be completely accurate at any given time you view it because it may not yet reflect any pending items, *e.g.*, you may have written checks that have not been cashed or deposited yet or you may have preauthorized recurring payments that haven’t processed yet.

You should keep all outstanding items in mind when determining your balance for overdraft purposes. It is your responsibility to know what transactions you may still have outstanding.

Will a debit card transaction hold always be the exact same amount as the actual transaction?

No. Some merchants, particularly gas stations, hotels, car rental agencies, and sometimes restaurants will preauthorize an amount greater than your actual transaction. For example, gas stations may preauthorize from $1.00 up to $125.00 because they don't know how much gas you will buy at the time you swipe your card. This hold should only last a few hours before it is released and the actual transaction amount is known. This actual amount is often referred to as the 'final settlement request' by the merchant to the bank. During this time, the available balance may reflect as less or more than your actual available balance based on the amount preauthorized as compared to your purchase amount.

A hotel may preauthorize an amount equal to one night’s stay, and can hold that amount for up to 72 hours at the time you make reservations. When you check in, it can also place another authorization to cover any incidental expenses you may incur during your stay. Once you check out and the hotel processes the transaction, the actual amount that you incur (final settlement) will be posted.

Car rental agencies can also preauthorize an amount greater than the rental to cover any incidental expenses you may incur and will process the actual amount (final settlement) once you return the vehicle and the rental contract is completed.

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