

## 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, also known as **Courtesy Pay**, that come with your account.
2. We also offer overdraft protection plans, such as a link to a savings account, 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 (Courtesy Pay).

### ► What are the standard overdraft practices that come with my account?

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account
- Automatic bill payments
- ACH Transactions

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

- ATM transactions
- One-time 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 Selfreliance FCU pays my overdraft?

Under our standard overdraft practices:

- We will charge you a fee of up to **\$30.00** each time we pay an ATM or debit card transaction overdraft.
- Also, if your account is overdrawn for 8 or more consecutive business days, we may charge an additional \$5.00 per day for up to 20 days.
- There is no limit on the total fees we can charge you for overdrawing your account.

### ► What if I want Selfreliance FCU to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you also want us to authorize and pay overdrafts on ATM and one-time debit card transactions, you may opt-in for an extended Courtesy Pay coverage by calling (888) 222-8571, or visiting [www.selfreliance.com](http://www.selfreliance.com), or completing the form below and presenting it at a Selfreliance FCU branch office.

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#### **ADD COVERAGE**

I want SFCU to authorize and pay overdrafts on my ATM and everyday debit card transactions. I understand that I will be charged fees as listed above.

***I have the right to revoke this coverage at any time by contacting SFCU in writing or by phone.***

#### **REMOVE COVERAGE**

I do not want SFCU to authorize and pay overdrafts on my ATM and one-time debit card transactions.

Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Account Number: \_\_\_\_\_



**Overdraft Liability**

An overdraft occurs when you do not have enough money in the “available balance” in your account to cover a transaction but the credit union pays the transaction instead of returning it. You may inadvertently overdraw your account through checks, ATM transactions, debit card purchases, and electronic or in-person withdrawals. Whether the transaction is paid or returned, your account may be subject to a fee as set forth in the Selfreliance FCU Fee Schedule. Selfreliance FCU offers Overdraft Protection Plans to avoid overdraft fees. These plans are described below.

**Understanding Actual vs. Available Balances**

Your checking account has two kinds of balances: “actual or current balance” and “available balance.” Both balances can be seen in online banking and in the mobile banking app. You can also call (888) 222-8571 to check your balances via phone. It is important to understand how both balances work to avoid overdrafts.

Your “actual or current balance” is the full amount of all deposits made into your account less payment transactions that have actually “posted” to your account. Thus, any purchases, holds on deposits, fees or other charges that have not yet posted to your account will not appear in your “actual or current balance.” (See “Funds Availability Policy” for further explanation and examples about holds on deposits).

Your “available balance” is the amount of money in your account that is available to you to use without incurring an overdraft fee. It is the actual balance less holds on deposits and amounts you have asked us to authorize for certain purchases you have made with your debit card.

Available balance is determined at the time a check, an ACH, and certain debit card transactions are posted to your account, not when they are authorized. The available balance is used to determine when your account is overdrawn. Both your available and actual balances are shown in mobile and online banking. The following example illustrates how this works:

*Assume your actual and available balances 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. That fee will be deducted from your account, further reducing both the available and actual balances. When the \$60 restaurant charge is presented to Selfreliance FCU and posted to your account, you will not have enough money in your available balance because of the \$50 check that just cleared. **However, you will not be charged a fee for this type of debit card transaction because your available balance was sufficient at the time it was authorized.***

**Overdraft Protection Plans**

You may opt in to Selfreliance FCU’s **Overdraft Protection** plan for your account. If you opt in, we will honor checks, ACH debits, bill pay items, and point-of-sale/PIN- and signature-based debit card transactions drawn on your insufficient available balance. We will do so by transferring funds from another deposit or loan account, as you have directed under this Agreement, or as required under Selfreliance FCU’s Overdraft Protection Policy or per the terms of your applicable loan account.

Selfreliance FCU offers an additional overdraft service known as **Courtesy Pay** to members who are eligible (see eligibility requirements in the table below). Courtesy Pay is offered to members in two ways: 1) *Standard Courtesy Pay*: Automatic enrollment based on certain criteria regarding member account activity; or 2) *Extended Courtesy Pay*: Member initiated opt-in. There is no maximum number of overdraft or Courtesy Pay fees that may be assessed per day.

If an item is presented for payment and your account does not have sufficient available balance to pay it, then Selfreliance FCU, in its discretion, may elect to pay it. In that event, you will be charged a Courtesy Pay fee according to the Selfreliance FCU Fee Schedule. Not all transaction types are covered by Courtesy Pay. Only checks you write, automatic bill payments and ACH electronic transactions from your Selfreliance FCU checking account are covered. If you opt in, Courtesy Pay protection may be extended to cover ATM transactions and point-of-sale/PIN debit card transactions.

## How to Prevent Courtesy Pay Fees

By opting into Courtesy Pay, you are agreeing to pay a fee (as set forth in the Fee Schedule) any time Courtesy Pay is used to cover a payment or fee against your account. To avoid these fees, you may discontinue Courtesy Pay at any time by:

- Calling (888) 222-8571
- Visiting [www.selfreliance.com](http://www.selfreliance.com)
- Visiting a Selfreliance FCU Branch

Your transactions may not be handled by Selfreliance FCU in the order in which you completed them. Accordingly, the order in which Selfreliance FCU processes them may affect the total amount of Overdraft or Courtesy Pay fees assessed to your account.

## Transaction Processing

Selfreliance FCU posts transactions as follows:

1. Live transactions are processed in the order they are received by Selfreliance FCU. Live transactions include:
  - ATM and Mobile
  - Same Day ACH
  - Debit Card
  - Branch
  - Deposits and Withdrawals
2. Debits are processed from lowest to highest.
3. ACH Transactions:
  - a. By Settlement Date except for those made on Federal Holidays as clearing times will be delayed and the payment will initiate on the next business day. Federal Holidays include: New Year’s Day, Martin Luther King Jr. Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day
  - b. ACH credits (money coming into your account) are processed from lowest to highest.
  - c. ACH debits (money coming out of your account) are processed from lowest to highest.

Selfreliance FCU’s Courtesy Pay Program		
	Standard Courtesy Pay	Extended Courtesy Pay
<b>Eligibility Requirements</b>	<ul style="list-style-type: none"> <li>• Membership must be in “Good Standing”</li> <li>• Checking account must be open for at least 6 months</li> </ul>	<ul style="list-style-type: none"> <li>• Membership must be in “Good Standing”</li> <li>• Checking account must be open for at least 6 months</li> </ul>
<b>Opt-In Requirement</b>	<ul style="list-style-type: none"> <li>• Automatic enrollment occurs once eligibility requirements are met</li> </ul>	<ul style="list-style-type: none"> <li>• Member must “opt-in” using one of the following 3 methods:                             <ul style="list-style-type: none"> <li>• Call us at (888) 222-8571</li> <li>• Visit <a href="http://www.selfreliance.com">www.selfreliance.com</a></li> <li>• Visit a Selfreliance FCU Branch</li> </ul> </li> </ul>
<b>Coverage</b>	<ul style="list-style-type: none"> <li>• Checks and other transactions made using your checking account number</li> <li>• Automatic bill payments</li> <li>• ACH transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Checks and other transactions made using your checking number</li> <li>• Automatic bill payments</li> <li>• ACH transactions</li> <li>• ATM Transactions</li> <li>• One-time debit card transactions</li> </ul>
<b>Exclusions</b>	<ul style="list-style-type: none"> <li>• ATM Transactions</li> <li>• One-time debit card transactions</li> </ul>	
<b>Associated Fees</b>	<ul style="list-style-type: none"> <li>• There is no limit to the number of fees or the total amount of fees that may be incurred if you overdraw your account.</li> <li>• You may be charged multiple fees for the same payment transaction if it is presented to us for payment multiple times.</li> </ul> <p>*Refer to the Selfreliance FCU Fee Schedule.</p>	<ul style="list-style-type: none"> <li>• There is no limit to the number of fees or the total amount of fees that may be incurred if you overdraw your account.</li> <li>• You may be charged multiple fees for the same payment transaction if it is presented to us for payment multiple times.</li> </ul> <p>*Refer to the Selfreliance FCU Fee Schedule</p>