

# Understanding Your Obligations 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. By signing the document entitled, "Explanation of Overdraft Coverage Form", and by using your checking account, you agree to the following:

- We use available balance to determine whether you incur overdrafts and associated fees.
- The law permits us to pay items drawn on your account in any order, even if the order in which we pay items causes an overdraft. It is our practice to pay items in the order we receive them. We may honor any item or instruction even if it created 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, 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.
- Pre-authorization 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. In such case, you will be charged an overdraft or insufficient funds fee. Debit Card transaction holds will not always be the exact same amount as the actual transaction.
- 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 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 within 30-calendar days for a minimum period of 24 business hours.
- 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 includes at least:
  - You have an account with us for at least 30 days
  - You are age 18 or over
  - You keep or bring the account to a positive balance within every 30-calendar day period for a minimum period of 24 business hours
  - Not being in default on any loan or other obligation to State Employees Credit Union
  - Not being subject to any legal or administrative order or levy
  - You have no charge-offs that have not been fully recovered

We reserve the right to change fees, change programs, or discontinue programs with 30-day notice.

**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" vs. "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 to 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".

### 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. 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.

# Overdraft Protection Plans (A Link to Other Applicable Accounts)

You may choose an overdraft protection plan that “links” your accounts in order to cover your overdrafts.

## How Does It Work?

You can tell us to “link” a savings or line of credit to your checking account, so that 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 Standard Overdraft Practices. (ATM/Debit Card Transactions Opt-In Request Document)

## What Fees Will be Charged?

We will charge you overdraft fees as follows:

- a premium overdraft funds fee of up to \$25.00 each time we pay an overdraft fee for ATM withdrawal transactions and every day one-time debit card transactions
- an insufficient funds fee of up to \$25.00 each time we pay an overdraft on your account for any other type of transaction
- an insufficient funds fee of \$25.00 each time we reject an item **(A particular item may be presented for payment multiple times. You may be charged an insufficient funds fee or overdraft fee each time the item is presented for payment.)**

There is no limit on the total fees we can charge you for overdrawing your account.

If you do not have the appropriate overdraft coverage, then we will charge you an uncollected funds fee of \$25.00 each time a transaction cannot be paid because funds are in your account but unavailable due to an account hold.

**Fees may change with 30-day notice.**