



Overdraft protection and disclosures

This document includes important information regarding your account balance, how transactions are posted to your account and when an overdraft fee will be charged. Refer to the Membership and Account Agreement for overdraft protection plans and extended overdraft terms and conditions. Please read this document carefully.

Whether it's an oversight or an emergency expense, we've all been in a situation where we miscalculate our checking account balance. Sometimes that can even bring the account into overdraft, or negative balance.

An overdraft occurs when you do not have enough money in your account to cover a checking account transaction. Fortunately, OCCU offers several overdraft protection options to save you from the inconvenience and embarrassment of having a transaction or purchase declined or returned.

We can cover your overdrafts in three different ways:

1. Transfer from other accounts

We can set up automatic transfers from your other deposit accounts (savings or money market) to cover overdrafts on your checking account.

- Fee: FREE. There is no charge for automatic transfers.
- To enroll: Automatic transfers may be set up at any time. Ask at account opening, send us a message in online or mobile banking, call us or visit your local branch.

2. Link to a line of credit

Apply for a line of credit that will be automatically advanced to cover overdrafts on your checking account.

- Fee: With a line of credit, you're borrowing from a credit line, and you'll be subject to interest charges just like any other credit product such as an installment loan or credit card.
- To apply: Visit MyOCCU.org to complete a line of credit application or call us at 800.365.1111.

3. Extended overdraft

Extended overdraft provides an optional, additional layer of protection to your checking account should you exhaust all other options available to you. With extended overdraft, rather than decline your transaction/purchase or return your item for insufficient funds, we pay the item for you and draw your checking account negative for the amount plus a fee. Your checking account becomes eligible for extended overdraft once it's been open for 60 days and is in good standing.

We have standard extended overdraft coverage that comes with your account:

- We automatically authorize and pay overdrafts for the following types of transactions. You do not need to opt in for this coverage, though you can opt out.
 - Checks and Automatic Clearing House (ACH).
 - Automatic/recurring payments.
- We authorize and pay overdrafts for the following types of transactions only if you opt in or request us to do so.
 - ATM transactions.
 - Everyday debit card transactions (point of sale).

Extended overdraft is not a loan or line of credit, and your next deposit will be used to repay the amount of the item(s) and the associated fee(s). You have up to 35 days to bring your checking account back to a positive balance. Please be aware that payment of overdrafts is at the discretion of OCCU.

- **Fee:** \$9 each time we pay an extended overdraft. We can impose up to five (5) extended overdraft fees in one day. There is no extended overdraft fee when we pay extended overdrafts of less than \$5. There is no daily fee incurred for a negative balance.
- **To enroll:** You must opt in for extended overdraft coverage for ATM and everyday debit card transactions. To do so, ask at account opening, call 800.365.1111 or visit any branch. You can also complete the *What you need to know about overdrafts and overdraft fees form* and mail it to P.O. Box 77002, Springfield, OR 97475-0146. You do not need to do anything to be eligible for extended overdraft coverage for checks, ACH and automatic/recurring payments. You may opt out of all extended overdraft coverage at any time by contacting us.

Tips for avoiding overdraft fees

There are ways to manage the fees you incur for your banking services. One of the best ways to do so is to actively manage your checking account to avoid overdraft fees. Here are a few ways we can help:

1. Direct deposit

Set up direct deposit of your payroll, retirement or government benefits such as Social Security. You won't need to worry about finding time to get to the Credit Union to deposit a check, and very often funds from direct deposits are available immediately where check deposits may be subject to funds availability rules.

2. MyOCCU Online & Mobile

MyOCCU Online & Mobile puts your account information at your fingertips. Be in control of your banking at all times: check balances and transaction history; make transfers between accounts; deposit checks; even manage alerts. MyOCCU Online & Mobile Banking is a free service. Enroll at MyOCCU.org; app available for iOS and Android operating systems.

How transactions are posted to your account

There are basically two types of transactions in your account: credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

1. Credits

Most deposits are added to your account when we receive them. For some checks you deposit, we may place a hold depending how and where you make the check deposit. This means that some or all of the funds will not be available at the time of deposit. Thus, your available balance may not reflect the most recent deposits to your account. For details on the availability of your deposits see the "Funds Availability" section of our Membership and Account Agreement.

2. Debits

There are several types of debit transactions. Each type of debit transaction is described generally below. Keep in mind that there are many ways transactions are presented for payment by merchants and OCCU is not necessarily in control of when transactions are received.

- Debit card transactions:
 - Point of sale (POS) debits are transactions where you used your debit card and entered your Personal Identification Number (PIN) at the time of the purchase. They are similar to ATM withdrawals because money is usually deducted from your account immediately at the time of the transaction. However, some POS transactions are not presented to us for payment immediately; it depends on when the merchant has presented the transaction for payment.
 - Signature transaction debits are transactions where you make a purchase with your debit card, you select "credit" instead of "debit" and you do not enter your PIN. You may be asked to sign for the purchase. This is also typical if you've used your debit card for an online purchase. In these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally place a temporary hold against the available funds in your account. We refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will reduce your available balance.
 - Authorizations are deducted from your available balance but not your actual balance as they are received by us throughout each day. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you sign for it, depending on the merchant and its processor. Once transmitted by the merchant and its processor, these payment requests are received in real time throughout the day and are posted to your account as they are received.

Please note: The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, if you use your debit card at a restaurant, a hold will be placed in the amount of the bill presented to you, but when the transaction posts it will include any tip that you added to the bill. This may also be the case where you swipe your debit card at gas stations and hotels and other retail establishments. We cannot control how much a merchant asks us to authorize or when a merchant submits a transaction for payment.

OVERDRAFT PROTECTION AND DISCLOSURES

- **Automatic payments:**
These include, for example, recurring bill payments you have signed up for with or without your debit card (gym membership, online streaming, etc.) but typically involve sharing your 16-digit debit card number, or our routing number and your checking account number. These transactions are submitted to OCCU electronically twice a day and are grouped together and paid in the order we receive them.
- **Checks:**
Even if you use your debit card for most transactions, you probably will write checks once in a while. After your payee cashes your check, the data is submitted to us electronically. We process checks in the order we receive them.

This is a general description of how certain types of transactions are posted. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law.

We may receive multiple deposit and withdrawal transactions on your account in many different forms throughout each business day. This means that you may be charged more than one fee if we pay multiple transactions when your account is overdrawn. For details on how we process debits and credits, please refer to the “How we process checks and items” section in the Membership and Account Agreement.

The best way to know how much money you have and avoid paying overdraft fees is to record and track all of your transactions closely by keeping a check/debit register or by checking your balances daily through MyOCCU Online & Mobile.

Understanding actual balance vs. available balance

Your checking account has two types of balances: the “actual” balance and the “available” balance. Both can be checked when you review your account in MyOCCU Online & Mobile, by calling us at 800.365.1111 or by visiting any branch location. 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 and checks you have written, or deposits made on your account that have not yet posted will not appear in your actual balance.

Your available balance is the amount of money in your account that is available to you to use without incurring an overdraft fee or transferring funds from another account. The available balance takes into account things like holds placed on deposits and pending transactions (such as pending debit card purchases) that OCCU has authorized but that have not yet posted to your account.

For example, assume you have an actual balance of \$50 and available balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment. In that case we would put a “hold” on your account for \$20. Your actual balance would still be \$50 because the transaction has not yet posted, but your available balance would be \$30 because the restaurant authorized the \$20. When the restaurant submits its bill for payment (which could be a few days later), we will post the transaction to your account and your actual balance will be reduced by \$20 (plus tip, if applicable).

Available balance is used to determine when your account is overdrawn. The following example illustrates how this works:

Assume your actual and available balances are both \$50, and you use your debit card at a restaurant to buy lunch for \$20. A hold is placed on your account, so your available balance is only \$30. Your actual balance is still \$50. Before the restaurant charge is sent to us for posting, a check that you wrote for \$40 clears. Because you only have \$30 available (you have already committed to pay the restaurant \$20), the check will overdraw your account by \$10, even though your actual balance is \$50. In this case, we may pay the \$40 check; but depending on the type of overdraft you have set up with us, we will either transfer funds from your other account(s) or line of credit, or you will be charged an extended overdraft fee of \$9. That fee will be deducted from your account, further reducing the balance.

It is very important to understand that you may still overdraw your account even though the available balance appears to show there are funds to cover a transaction that you want to make. This is because your available balance may not reflect all the outstanding transactions that have not yet 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.