



## **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. 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, but 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. Overdraft 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](http://MyOCCU.org) to complete a line of credit application or call us at 800.365.1111.

### **3. Extended Overdraft \***

Extended Overdraft (EOD) provides an optional, additional layer of protection to your checking account should you exhaust all other options available to you. With EOD, 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 EOD once it's been open for 60 days and is in good standing.

We have standard EOD 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/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 and we reserve the right not to pay if your account falls out of good standing.

*Fee:* \$9 each time we pay an Extended Overdraft. We can impose up to five (5) EOD fees in one day. There is no EOD 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 EOD coverage for ATM and everyday debit card transactions. To do so, ask at account opening, call 800.365.1111 or visit any branch. You do not need to do anything to be eligible for EOD coverage for checks, ACH and automatic/recurring payments. You may opt-out of all EOD 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:



## 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.

## 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, or deposits of money into your account; and debits, or 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.

**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.

**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 the merchant.

**Signature transaction** debits are transactions where you make a purchase with your debit card and you do not enter your PIN but you are asked to sign for the purchase or 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.

**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.

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 our Member Service Center 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 or insufficient funds 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:

Again, 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 we will either transfer funds from your other account(s) or line of credit, or you will be charged an EOD 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.

## **Extended overdraft disclosure**

OCCU offers Extended Overdraft (EOD), under the following terms and conditions.

**Discretionary service.** OCCU (“we”, “us”) offers EOD to eligible consumer checking account owners (“you,” “your”). EOD will be provided automatically once your eligible checking account has been open for 60 days and will continue as long as eligibility status (see section 2 Eligibility below) is maintained. Under EOD, we are not obligated to pay any check or item presented for payment if your account does not contain sufficient available funds. OCCU may, as a discretionary service and not as a right of yours or our obligation to you, pay overdrafts up to a specified limit (as set forth below) under the terms of this service and subject to your Membership and Account Agreement. EOD is not a line of credit, is not guaranteed and is independent of any



other payment arrangement we may offer. Generally, we will not pay an overdraft for you in excess of any limit established for your checking account type. Also, we may refuse to pay an overdraft for you at any time, even if we have previously paid overdrafts for you. We will notify you by mail of any insufficient funds, checks, or items paid or unpaid and returned. However, we have no obligation to notify you before we pay or return any item.

- 1. Eligibility.** If your checking account has a negative balance due to overdrafts for more than 35 days, it is no longer eligible for EOD. If you are a borrower or co-borrower on any loan that is past due more than 10 days, your checking account is no longer eligible for EOD. You must be at least 18 years of age to be eligible for EOD on your checking account. Certain account owners are not eligible, for example, Representative Payees, VA Fiduciaries, Conservators, Uniform Transfers Minors Account (UTMA).
- 2. Transactions covered.** If you do not have available funds in your checking account, the following transactions, which may result in an insufficient available balance ("overdrafts"), may be covered under EOD: transactions using your checking account ID number and our routing number or your 16-digit debit card number, and account service charges. We reserve the right to pay any checks or items in the order they are presented or received and in accordance with our normal operating procedures for such checks, items or transactions. To receive EOD on your ATM withdrawals and everyday debit card transactions (point of sale) you must "opt-in."
- 3. Available balance.** Your actual balance is the amount of funds in the account at a point in time based on transactions that have posted to the account at that time. Your available balance is the amount of funds in the account that are available to pay items presented against the account without incurring an overdraft or non-sufficient funds fee or transferring funds from another account. The available balance is generally equal to the actual balance, less the amount of any holds placed on recent deposits, holds placed for other reasons and holds for pending transactions (such as debit card purchases) that OCCU has authorized but have not yet posted to your account. If an item presented for payment against your account exceeds the available balance, we will treat it as presented against non-sufficient funds, even if the actual balance exceeds the amount of the item.
- 4. EOD limit and balance.** Under EOD, we may pay overdrafts up to at least the default limit of \$500 (Simplicity Checking) or \$750 (Remarkable Checking) ("limit") if you are otherwise eligible for EOD. OCCU's fees and charges, plus the amount of each paid check or item, will be included in this limit. Your EOD limit will not be included or reflected in the actual or available balance of your account provided by a teller, at ATM or POS facilities, through online services, or on your



periodic statements. At OCCU's discretion, we may increase your limit from time to time based on your relationship with us. Also, at OCCU's discretion, we may decrease your limit to the default limit mentioned above or eliminate your limit completely without notice to you.

**5. Fees.** We impose fees for payment of items through Extended Overdraft coverage as set forth on the Rate and Fee Schedule. If we do not pay the overdraft, there is a Non-Sufficient Funds fee pursuant to the Rate and Fee Schedule each time we return a check or other item. If you have excess overdraft activity, we will notify you in writing or other reasonable means to consider discontinuing EOD. These fees may be amended as set forth in our Rate and Fee Schedule.

**6. Member repayment responsibility.** You agree your overdraft balance, including applicable fees, is due and payable upon demand. If there is more than one owner on an account, all owners are jointly and severally liable for repayment of the overdraft balance. If you fail to repay your overdraft balance within 35 days of notice from us, we may suspend EOD. Accounts may be closed for failure to repay overdraft balances.

**7. Member opt out.** We offer EOD as a service and convenience to members for incidental overdrafts. We do not encourage you to repeatedly overdraw your account. We encourage you to manage your finances responsibly. You may opt-out of EOD at any time by notifying us. You understand that by opting out of EOD, we may refuse to pay a check or item that is presented against an insufficient balance on your checking account and you will be responsible for any non-sufficient funds fees as set forth on the Rate and Fee Schedule. You are still responsible to pay any overdraft, even if you have opted out of EOD.

**8. OCCU contact.** For questions, to opt-in for EOD on your ATM and every day debit card transactions, or to exercise your right to opt-out from EOD, you may call us at: 541.687.2347 or 800.365.1111; or write to us at OCCU, PO Box 77002, Springfield, OR 97475-0146.