



What You Need to Know about Overdrafts and Overdraft Fees

An **overdraft** occurs when there is not enough money in your account to cover a transaction, but Affinity Federal Credit Union pays it anyway. There are four ways in which overdraft transactions can be covered:

1. **Overdraft Protection Plan** enabling you to link to another account when you've exceeded your account balance. To learn more, call us at 800.325.0808 or stop by a branch.
2. **Standard Courtesy Pay** that comes with your account.
3. **Debit Card Courtesy Pay**, which will be made available only if you affirmatively choose to opt in/ participate.
4. **Line of Credit**, which can also be established for the purpose of covering overdrafts if applied for and approved.

Categories of Courtesy Pay Transactions:

Courtesy Pay is a discretionary service of paying overdrafts. There are two categories of Courtesy Pay.

1. Standard Courtesy Pay is used for paying incoming checks, ACH transactions, automatic bill payments and recurring debit card transactions.
2. Debit Card Courtesy Pay is used for paying every day debit card transactions and ATM transactions

There are differences between these two options as outlined below:

Overview of Standard Courtesy Pay Option:

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

- Checks and other transactions made using your checking account number
- Automatic bill payments
- Recurring debit card transactions

Standard Courtesy Pay is a discretionary service that allows Affinity to pay items presented against a qualified checking account even if they cause the account to become overdrawn.

If an item overdraws your account, whether we pay or return an item, your account will be assessed a fee, either as an Overdraft fee or a Returned Item (NSF) fee but you will not be charged for both. The fee is the same for paying or returning the item. Our current charge per item is \$33.

There is no need to opt-in for this service and no accountholder action is needed or consent required.

However, you may always Opt-Out at any time by notifying a Member Service Representative at 800.325.0808.

Overview of Debit Card Courtesy Pay Option

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

- ATM transactions
- Everyday debit card transactions

This option requires your affirmative agreement. To enroll in Debit Card Courtesy Pay you must agree to the terms and conditions presented here.

What fees will I be charged if Affinity Federal Credit Union pays my Debit Card Courtesy Pay Transaction?

- We will charge you a fee of \$15 each time we pay an overdraft except for transaction amounts of less than \$75. Then no fee is charged.
- There is no additional cost associated with either service unless you use it.



Affinity

Federal Credit Union

You may opt-out at any time. To opt-out, please contact a Member Service Representative at 800.325.0808 or visit a local branch representative.

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction even if you have opted in to Debit Card Courtesy Pay.

If we do not authorize and pay an overdraft, your transaction will be declined.

Information Which Applies to both Standard and Debit Card Courtesy Pay

Dollar Limit. If we establish a dollar limit for payments resulting in overdrafts on your account, overdraft fees (as well as the amounts of the overdraft items) will apply toward that limit reducing the amount available under that limit. This is a dynamic limit and is based upon many factors such as your deposit history, age of your account, loan payment history and how quickly you have repaid any previous overdraft balances. This limit can change daily. This limit is inclusive of standard and debit card courtesy pay.

Time for Repayment. We reserve the right to require you to pay an overdraft immediately. You are responsible to pay any negative balance in your account, and should make every attempt to bring your account to a positive balance within 30 days. If, after a period of time, your account has not been brought to a positive balance, we may suspend your account and take other steps to recover the funds, including collection and/or legal action. There is no limit on the total fees we can charge you for overdrawing your account including but not limited to, collection fees, attorney fees, and court costs.

Additional Information

As long as you maintain your account in "good standing", are making regular deposits and you are age 18 or older, we may approve your overdraft items within your current available Courtesy Pay limit. For Courtesy Pay consideration, account is in "good standing" if you (1) make regular deposits to cover transactions; (2) you bring the account to a zero or positive balance for a full 24-hour business day at least once every thirty days; and (3) there are no legal orders, levies or liens against your account; and (4) you do not have delinquent loan accounts.

Overdraft fees can be substantial, especially in relation to multiple small overdrafts. Thus, we discourage the intentional and routine writing of checks or initiating electronic funds transfers or other transactions that will overdraw your account, if paid. Courtesy Pay should be used only for the occasional and inadvertent overdrafts and should not be relied on in the same manner as, for example, a line of credit.

Courtesy Pay offers additional flexibility and convenience in managing your funds, and provides peace of mind knowing that items may be paid up to the dynamic authorized overdraft limit. Using Courtesy Pay may be more costly than other overdraft payment options we offer. Please speak to a Member Service Representative to see if you qualify for these other options. Courtesy Pay allows Affinity to provide a higher level of service to our members by helping to protect your account and reputation when an inadvertent overdraft occurs.

Circumstances Under Which We Would NOT Pay.

The circumstances under which we would not pay an item or debit that would overdraw your account are entirely at our discretion, and we reserve the right not to pay. For example, we typically wouldn't pay if your account is not in good standing, or you are not depositing regularly, or you have too many overdrafts. The fact that we pay one or more items creating overdrafts does not obligate us to do so in the future.

Order of Payment.

When processing checks or orders drawn on your account, our policy is to pay them according to the dollar amount. We pay the smallest checks and orders first. For electronic transactions, our policy is to pay them in the order in which items are received.

Contact Us.





Affinity

Federal Credit Union

If you would like to have either service removed from your account or you would like more information, please contact a Member Service Representative at 800.325.0808 or visit your local branch.

Alternative Overdraft Protection Programs.

If more than occasional and inadvertent use of Courtesy Pay is anticipated, we believe you should consider alternatives such as linked accounts or obtaining a line of credit to avoid overdrawing your account. Under a linked account your checking account would be connected to another account, such as a savings account, so as to automatically transfer funds from the other account to the checking account as needed to avoid overdrafts. Under an overdraft line of credit, the funds are automatically transferred from the line of credit to your checking account, as needed, to avoid overdrafts. We encourage you to inquire about these alternatives we offer as these alternatives are usually less costly than Courtesy Pay fees.

