

OVERDRAFT & COURTESY PAY FAQ

WHAT IS AN OVERDRAFT?

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:

- >> Through the *standard overdraft practices* that come with your account.
- >> Through *overdraft protection plans*, such as a link to a savings account, eligible credit card, or money market account, which may be less expensive than our standard overdraft practices.

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 number
- >> Automatic bill payments

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

- >> ATM transactions
- >> Everyday 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 OVERDRAFT PROTECTION PLANS CAN I CHOOSE?

The choices you make regarding the overdraft protection options determine how OE Federal handles incoming transactions that overdraw your account.

- >> *Overdraft Protection* automatically transfers funds from your eligible linked account to your checking account if you overdraw it.
- >> *Courtesy Pay* allows OE Federal to authorize one-time debit card and ATM transactions to a specified maximum limit.

WHAT IS OVERDRAFT PROTECTION?

Overdraft Protection is a service that allows you to link your eligible OE Federal Credit Union checking account to another account with the Credit Union. This includes savings accounts, eligible second checking accounts, money market accounts, or credit cards. Funds will be automatically transferred in \$50 increments from the linked account to cover transactions in your checking account when you have insufficient funds to complete the transaction. Overdraft Protection will help prevent declined transactions, returned checks, or other types of overdrafts on your checking account.

IS THERE A COST TO ENROLL IN OVERDRAFT PROTECTION?

There is no cost to enroll in Overdraft Protection. Fees are assessed only in the event of a transfer to cover a transaction in your checking account.

OE Federal charges \$3 per Overdraft Protection transfer, with no daily limit to the number of fees charged.

HOW DOES OVERDRAFT PROTECTION WORK?

When your checking account does not have sufficient funds to cover a specific transaction, funds are automatically transferred from your eligible linked account in \$50 increments to cover your withdrawal or purchase. Sufficient funds must be available in your linked account to cover the transfer for the coverage to take place.

Linked accounts may be limited in the number of automatic transactions allowed per month, as determined by Regulation D. If you reach these limits, a transfer of funds may not take place.

WHAT IS COURTESY PAY?

OE Federal Credit Union provides two types of Courtesy Pay protection to its members. The first type is included in our standard overdraft practices and allows you to overdraw your account up to a set limit for checks, bill-pay transactions, and electronic payments (ACH) using your account number.

The second type of Courtesy Pay requires that you opt-in for additional coverage and allows the Credit Union to pay one-time debit card and ATM transactions.

If you have enrolled in Overdraft Protection, we will attempt to transfer funds from your eligible account before we apply the Courtesy Pay option.

HOW DO I QUALIFY FOR COURTESY PAY?

To qualify for Courtesy Pay protection, your account must be in good standing with OE Federal and you must be enrolled in a Regular Checking account or a Non-Dividend Checking account. Fresh Start Checking accounts are not eligible for Courtesy Pay protection.

Excessive, or abusive usage of the Courtesy Pay program may result in coverage being revoked.

WHAT IS THE COST FOR COURTESY PAY?

There is no cost to enroll in Courtesy Pay. Fees are charged per transaction, up to the maximum overdraft limit, including fees.

OE Federal charges \$25 per paid check, bill-pay transactions, and electronic payments (ACH) Courtesy Pay transactions, up to the maximum overdraft limit, including the fees. We cap fees at three per day.

OE Federal charges \$20 per paid one-time debit card and ATM transaction between \$0.01 and \$100, up to the maximum overdraft limit, including the fees. For transactions over \$100, we charge \$25 per paid one-time debit card and ATM transaction, up to the maximum overdraft limit, including the fees.

No fee is charged if the account is overdrawn by \$20 or less.

WHAT IS THE DIFFERENCE BETWEEN OVERDRAFT PROTECTION & COURTESY PAY?

Both Overdraft Protection and Courtesy Pay provide you coverage against transactions being declined due to insufficient available funds. Both options are free to enroll in, and only have an associated cost when utilized.

Overdraft Protection uses the funds available in a secondary account to pay a transaction that would bring your balance below zero.

Courtesy Pay provides protection against transactions that would bring your balance below zero, even if you don't have enough money in a secondary account or don't have another account linked.

WHAT ARE YOUR NON-SUFFICIENT FUND FEES?

If we return a transaction due to insufficient funds in your account, we will charge a \$25 fee per returned item.

We will charge a maximum of three non-sufficient funds fees per day.

WHAT IS THE COURTESY PAY LIMIT?

OE Federal will authorize and pay transactions up to a maximum limit of \$500, including any associated fees.

WHAT HAPPENS IF I REACH MY LIMIT?

If you have reached the maximum Courtesy Pay limit, your transaction will be returned unpaid. We will charge you up to three NSF fees per day.

HOW DO AVAILABLE FUNDS WORK?

The balance in your account may not be the currently available balance. Available balances may be affected by such things as merchant authorizations for debit card purchases or unavailable funds from a recent deposit. If you are making a large purchase, it is recommended that you verify your available balance before completing the transaction.

CAN YOU GIVE ME AN EXAMPLE OF WHAT WOULD HAPPEN IF MY AVAILABLE BALANCE IS LESS THAN MY CURRENT BALANCE?

If you were to make a purchase at a gas station, the merchant will place a temporary hold on the funds within your account for a certain amount of money. The actual purchase may be less than the amount of the temporary hold. In these instances, our system is not aware that the actual purchase amount is less than the temporary hold placed on your funds. The amount will be adjusted correctly, but it may take up to three days before this happens.

Until that time, the amount of available funds in your account for additional transactions will be reduced by the amount of the temporary hold. If another transaction is made that exceeds the available balance, the transaction may not be paid, resulting in a non-sufficient funds (NSF) transaction. If paid, it may result in an overdraft on the account. You will be charged a fee even if sufficient funds would have been available in the account had the temporary hold not been equal to the amount of your purchase.

Assuming that you have opted into our Courtesy Pay program, we have paid the overdraft amount, and our fee is \$25 per overdraft (we do not charge this fee if the account is overdrawn by \$20 or less). Your account currently has \$100 and you swipe your debit card at a gas pump. The gas station's system is unsure what the final bill will be and requests a hold for a specific amount. For our example, the temporary hold will be \$75, which we authorize.

You are now allowed to pump gas and fill your tank with \$50 of fuel. Based on the temporary hold currently on your account, our system believes you have \$25 available for purchases, even though you would have had \$50 if the amount of the temporary hold was the same as your purchase. Later in the day, another debit card transaction clears your account for \$50. This transaction has been presented to us before the temporary hold cleared your account. As this amount is greater than what the system shows as the available balance in your account, your account becomes overdrawn and you will be assessed a \$20 fee.

HOW CAN I OPT OUT OF COURTESY PAY?

To opt-out of Courtesy Pay, visit any branch location or call us at (800) 877-4444. Alternatively, you can provide us with written directions at:

OE Federal Credit Union
PO Box 5073
Livermore, CA 94551

CAN I OPT OUT OF THE STANDARD OVERDRAFT PRACTICES?

To opt-out of our standard overdraft practices, visit any branch location or call us at (800) 877-4444. Alternatively, you can provide us with written directions at:

OE Federal Credit Union
PO Box 5073
Livermore, CA 94551

DO I HAVE TO ENROLL IN THESE SERVICES?

Members are not required to sign up for these services. You are welcome to sign up for one, both, or none based on how you prefer to manage your funds. You do not need Overdraft Protection to enroll in the Courtesy Pay option.



HOW OVERDRAFT PROTECTION OPTIONS WORK - DEBIT CARDS -

	NO OVERDRAFT OPTIONS	SAVINGS ACCOUNT LINKED FOR OVERDRAFT PROTECTION	COURTESY PAY ONLY	SAVINGS ACCOUNT LINKED FOR OVERDRAFT PROTECTION PLUS COURTESY PAY*
Checking Account Available Balance	\$100	\$100	\$100	\$100
Savings Account Balance	N/A	\$100	N/A	\$100
Purchase Using a Debit Card	\$150 Declined at point of sale	\$150 Approved	\$150 Approved at OE Federal's discretion	\$150 Approved
Is a fee assessed?	No Transaction declined	Yes An Overdraft Protection Transfer fee of \$3 to cover the transaction	Yes Courtesy Pay fee of \$25 if paid	Yes An Overdraft Protection Transfer fee of \$3 to cover the transaction

**You have opted into Courtesy Pay protection to allow OE Federal Credit Union to pay overdrafts on ATM and one-time debit card transactions.*



HOW OVERDRAFT PROTECTION OPTIONS WORK - ACH DEBIT & SHARE DRAFT -

	NO OVERDRAFT OPTIONS	SAVINGS ACCOUNT LINKED FOR OVERDRAFT PROTECTION	COURTESY PAY ONLY	SAVINGS ACCOUNT LINKED FOR OVERDRAFT PROTECTION PLUS COURTESY PAY*
Checking Account Available Balance	\$100	\$100	\$100	\$100
Savings Account Balance	N/A	\$100	N/A	\$100
Purchase Using a Debit Card	\$150 Declined & returned	\$150 Approved	\$150 Approved at OE Federal's discretion	\$150 Approved
Is a fee assessed?	Yes \$25 NSF Fee	Yes An Overdraft Protection Transfer fee of \$3 to cover the transaction	Yes Courtesy Pay fee of \$25 if paid	Yes An Overdraft Protection Transfer fee of \$3 to cover the transaction

**You have opted into Courtesy Pay protection to allow OE Federal Credit Union to pay overdrafts on ATM and one-time debit card transactions.*