

## Overdraft Protection Best Practices



**Checking + Savings = Basic Protection.** When you open your checking account, it is automatically linked to your savings account. So if there isn't enough money in your checking account to cover a transaction, we'll automatically transfer funds - in increments of \$100 (limit 6 per month) - from your savings account for just \$3 per transfer. When there is \$100 or less available in your savings account, we will transfer all the remaining available funds to cover the overdraft and charge the \$3 transfer fee.

**More Linked Accounts = More Protection.** In order to increase your protection, you can also link additional accounts to your checking account. This includes a Personal Access Line of Credit (PAL) account, a Money Market account ... even a Home Equity Line of Credit can all be linked to your checking account as emergency back-up funds. To designate additional accounts or loans as part of your overdraft protection, call 360.695.3441 or visit any branch.

**Courtesy Overdraft Protection** is a service that allows iQ Credit Union to pay a check, ACH or Bill Pay item presented against your checking account even if it causes the account to be overdrawn. (Debit card POS transactions are not covered.) No action is required on your part as this is a non-contractual courtesy for the Credit Union to pay overdrafts. Courtesy Overdraft can start when a check, electronic funds transfer (ACH), Bill Pay transaction or an in-branch check cashing transaction occurs for more than is available\* on deposit in the account and/or more than approved overdraft protection services have available. In the event of an overdraft, a fee of up to \$30 for each overdraft will be charged to your account. There is no limit on the total fees that can be charged for overdrawing the account. Repayment is required within 30 days of overdraft notification.

**Card Overdraft Protection** can cover you when a Visa debit transaction, Point-of-sale (POS) transaction, or ATM transaction occurs for more than is on deposit in the account and/or more than approved overdraft protection services have available. After other overdraft coverages are exhausted, iQ Credit Union may cover your purchase with our Card Overdraft service. In the event of an overdraft, a fee of up to \$30 for each overdraft (limit of three fees per day) will be charged to your account. Repayment is required within 30 days of overdraft notification. By opting in, you agree that your overdraft balance, including applicable overdraft fees, is due and payable immediately. For complete details, see our [Membership and Account Agreement](#). You must complete this [Opt-In Form](#) to have this service.

*Please note: any checking account owner may revoke or opt-out of our Courtesy Overdraft and Card Overdraft Protection programs at any time. Just visit any branch or call our Member Solutions Center at **360.695.3441**.*

*\*Available funds (available balance) is the amount of money in your account, 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 we have authorized but that have not yet posted to your account. An account must be open at least thirty (30) days and be considered in good standing. Good standing includes making regular deposits sufficient to cover transactions, not allowing the account to be overdrawn more than thirty (30) days, having no legal orders, such as levies or garnishments against the account, having no iQ Credit Union loan past due more than thirty (30) days and there must be a valid mailing address on the account. In addition, if there is a ChexSystems record on any signer on the account, it must be at least one (1) year old.*



## **Courtesy & Card Overdraft Disclosure**

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### **Courtesy Overdraft and Card Overdraft Disclosure**

This disclosure is a part of your iQ Credit Union Membership and Account Agreement and incorporates the Rate & Fee Schedule.

Courtesy Overdraft is a service that allows iQ Credit Union to pay a check, ACH or Bill Payer item presented against your checking account even if it causes the account to be overdrawn. Card Overdraft is a service that once you Opt-In, allows iQ Credit Union to pay an ATM or everyday debit card item presented against your checking account, even if it causes the account to be overdrawn. Overdraft protection starts only after all other overdraft protection services on your account have been maximized. Overdraft protection is not an invitation to overdraw your account. It is to be used as a safety net for occasional errors or in an emergency.

With Courtesy Overdraft and Card Overdraft, qualified members in good standing may be given the ability to overdraw their checking accounts up to \$1,000. As long as you maintain the account in good standing, the Credit Union may pay items up to the authorized limit. Account holders under the age of 18 are not eligible for the Courtesy Overdraft or Card Overdraft programs.

An account number must be open at least thirty (30) days and be considered in good standing. Good standing includes making regular deposits sufficient to cover transactions, not allowing the account to be overdrawn more than thirty (30) days, having no legal orders, such as levies or garnishments against the account, having no iQ Credit Union loan past due more than thirty (30) days and there must be a valid mailing address on the account. In addition, if there is a ChexSystems record on any signer on the account, it must be at least one (1) year old. If all conditions of good standing are met, the Credit Union, at its sole discretion, may pay overdrafts up to the \$1,000 limit. The \$1,000 limit includes our normal fee for Non-Sufficient Funds Items and payments made under the Courtesy Overdraft and Card Overdraft programs. A fee is assessed whether we pay the item or return it. The fee will be either a Non-Sufficient Funds charge or a Courtesy Overdraft/Card Overdraft Charge. You will not be charged for both fees, however.

#### **Courtesy Overdraft:**

No action is required on your part as this is a non-contractual courtesy for the Credit Union to pay overdrafts. As it is not a loan, no agreements need to be signed. There is no cost to the program unless Courtesy Overdraft is used. Courtesy Overdraft can start when a check, electronic funds transfer (ACH), Bill Payer transaction or an in-branch check cashing transaction occurs for more than is on deposit in the account and/or more than approved overdraft protection services have available. The item can be paid at the sole discretion of the Credit Union and the usual Non-Sufficient Funds or Courtesy Overdraft fee for each item will be charged.

#### **Card Overdraft:**

You must Opt-In to Card Overdraft service in order for the Credit Union to pay overdrafts. It is not a loan; however, your consent is needed to begin. There is no cost to the program unless Card Overdraft is used. Card Overdraft can start when an everyday Visa debit transaction, Point-of Sale (POS) transaction, or ATM transaction occurs for more than is on deposit in the account and/or more than approved overdraft protection services have available. The item can be paid at the sole discretion of the Credit Union and the usual Non-Sufficient Funds or Card Overdraft fee for each item (up to three fees per day) will be charged.

You will receive a notice every time any overdraft occurs. We reserve the right to pay any checks or items in the order they are presented or received or otherwise in accordance with our normal operating procedures for such checks, items, or transactions. The order in which items are charged to the account may affect the number of fees you pay.

In the normal course of business, we generally pay ACH (in the order in which they are presented to us by our service provider, which may be different than the order in which they were initiated or in which they were received by any party), checks (in

check number order within batches received, which may be different than the order in which they were initiated or in which they were received by any party) and then electronic transactions (in the order in which they are presented to us by our service provider or correspondent, which may be different than the order in which they were initiated or in which they were received by any party). However, we reserve the right to change the order of payment without notice to you at any time. Also, please be aware that the order of item payment may create multiple overdraft items during a single business day.

We strongly recommend you check your ATM balance before making a withdrawal to avoid a fee (Card Overdraft balances are NOT included in your available balance).

You agree your overdraft balance, including applicable overdraft fees, is due and payable immediately. 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 thirty (30) days of notice from us or have excessive use of overdraft protection, we may immediately suspend the overdraft service. Accounts may be closed for failure to repay overdraft balances and we will report account closures to consumer reporting agencies. You may revoke or opt-out of our Courtesy Overdraft and Card Overdraft programs at any time. This request can be from any owner on the checking account.

**Example of how available limit works:** An ACH debit for \$250.00 and a check for \$75.00 are received and the checking account balance is \$100 (there is no other overdraft protection available). The Credit Union pays both items and charges the Courtesy or Card Overdraft fee on each item (currently \$30.00 per item but subject to change). The checking account balance is now negative \$285.00 ( $\$100 - \$250 - \$30 - \$75 - \$30$ ). The Courtesy Overdraft coverage available is now \$715.00 ( $\$1000 - \$285$ ).