



Overdraft Services Disclosure and Agreement

This Overdraft Services Disclosure and Agreement describes the circumstances when EECU may pay overdrafts in your checking account. You understand and agree to the terms and conditions of this Overdraft Services Disclosure and Agreement. You authorize the credit union to pay overdrafts and agree to be responsible for the payment of any overdraft fees. Terms not otherwise defined herein shall have the same meaning attributed to them in the Membership and Account Agreement.

"Overdraft" means there is not enough "available" balance in your account at the time a transaction is presented to us for payment. In other words, you do not have enough money in your account to cover your transactions. An insufficient "available" balance may result for several reasons including, but not limited to: (A) the payment of checks, electronic fund transfers or other withdrawal requests; (B) payments authorized by you; (C) the return, unpaid, of items deposited by you; (D) the imposition of applicable service fees; and (E) the deposit of items, which, according to the credit union's Funds Availability Policy, are treated as not yet "available" or finally paid.

The credit union currently offers two types of services (which are subject to change without notice unless required by law) to address overdrafts associated with your checking account:

- (1) Overdraft Transfer (from an eligible linked account or overdraft line of credit); and
- (2) Overdraft Protection (which is broken down into two categories):
 - (A) **Standard Overdraft Protection** for the payment of checks and ACH transactions; and
 - (B) **Courtesy Overdraft Protection**, which you must opt-in to, for the payment of ATM and everyday (one-time) debit card transactions:

(1) OVERDRAFT TRANSFER SERVICE (FROM A SHARE (SAVINGS) ACCOUNT OR OVERDRAFT LINE OF CREDIT)

If you are enrolled in this service, the credit union may transfer funds from a share (savings) account or line of credit to cover an overdraft and charge a fee in accordance with the current version of our Account Fee Schedule. In the event you would like more information about the Overdraft Transfer service, you may contact a financial center representative or call the Member Contact Center at 817-882-0800 or 1-800-333-9934. The overdraft transfer fee is reflected in the current version of our Account Fee Schedule. **THE OVERDRAFT TRANSFER SERVICE MAY BE A LESS EXPENSIVE ALTERNATIVE TO THE CREDIT UNION'S OVERDRAFT PROTECTION SERVICES.**

(2) OVERDRAFT PROTECTION SERVICES

A. **Standard Overdraft Protection - Checks and ACH Transactions**

This service is automatically added to eligible checking accounts in good standing and allows, but does not obligate, the credit union to pay an overdraft for: (i) checks, other items, and transactions made using your checking account number; and (ii) automatic bill payments and Automated Clearing House (ACH) transactions.

NOTE: IF YOU INCUR AN OVERDRAFT FEE AND (I) YOU HAVE BEEN PROVIDED WITH AT LEAST ONE PERIODIC STATEMENT IDENTIFYING SUCH FEE AND (II) YOU CONTINUE TO USE THE OVERDRAFT SERVICE, YOU WILL BE DEEMED (TO THE FULLEST EXTENT PERMITTED BY LAW) TO HAVE UNDERSTOOD AND AGREED TO THE METHOD BY WHICH SUCH OVERDRAFT FEE WAS DETERMINED AND TO

HAVE AGREED TO THE SAME TYPE OF OVERDRAFT FEES WHICH YOU INCURRED OR MAY INCUR IN THE FUTURE, REGARDLESS OF WHETHER INITIAL OR ADDITIONAL OVERDRAFT DISCLOSURES WERE PROVIDED TO YOU AND REGARDLESS OF THE CONTENT OF ANY DISCLOSURES PROVIDED TO YOU.

You may elect to opt-out of the payment of overdrafts associated with checks and ACH transactions at any time by contacting a financial center representative or by calling the Member Contact Center at 817-882-0800 or 1-800-333-9934. **NOTE: If you opt-out of the Standard Overdraft Protection, you are not eligible to participate in Courtesy Overdraft Protection (see below). If you do not have overdraft services and there are insufficient available funds in your account, checks, items, and transactions may be return unpaid, resulting in non-sufficient fund fees (NSF).**

Note: If an item or transaction in an amount of \$1.00 or less is presented for payment against an insufficient available balance and returned, an NSF fee will not be charged.

Note: We will charge an NSF fee each time a check, other item or transaction is presented to us, even if the check, other item or transaction was previously presented and returned due to an insufficient available balance. Thus, you may be charged multiple NSF fees for each check, other item, or transaction you authorize. We have no control over the number of times a merchant or payee will present a check, other item, or transaction for payment. The NSF fee is disclosed in the current version of our Account Fee Schedule.

You understand and agree that while certain electronic services, transferring money from person to person (e.g., Zelle or Venmo) or account to account (e.g., from your account at the credit union to your account at another financial institution), may currently be free to use, you will be charged overdraft and NSF fees, as applicable, described in the current version of our Account Fee Schedule.

B. **Courtesy Overdraft Protection - ATM and Everyday (One-Time) Debit Card Transactions**

This service may be available to you provided (1) you have not "opted-out" of the Standard Overdraft Protection for the payment of overdrafts for checks and ACH transactions and (2) you have "opted-in" for the payment of: (i) ATM transactions and (ii) everyday (one-time) debit card transactions.

YOU WILL BE CHARGED AN OVERDRAFT FEE EACH TIME ANY APPLICABLE CHECK, ITEM OR TRANSACTION IS PRESENTED FOR PAYMENT AND PAID AGAINST AN INSUFFICIENT AVAILABLE BALANCE. YOU ALSO UNDERSTAND AND AGREE THAT YOU WILL BE CHARGED MORE THAN ONE OVERDRAFT FEE IF THE CREDIT UNION PAYS MULTIPLE TRANSACTIONS WHEN YOUR ACCOUNT IS OVERDRAWN. THERE IS NO LIMIT ON THE TOTAL FEES THE CREDIT UNION CAN CHARGE FOR OVERDRAWING YOUR ACCOUNT.

Note: An overdraft fee will not be charged for an item or transaction in an amount of \$1.00 or less.

"Available" balance is used to determine when your account is overdrawn. "Available" balance is determined at the time a transaction is posted to your account.

You agree that you do not need to be notified if your account does not have sufficient available balance in order to pay any check, other item, or transaction. **Note:** Your account may be subject to a fee for each check, other item, or transaction regardless of whether the credit union pays or returns any check, other item, or transaction.



You may elect to opt-out of Courtesy Overdraft Protection at any time by contacting a financial center representative or by calling the Member Contact Center at 817-882-0800 or 1-800-333-9934.

The following is important information regarding your account balance, how transactions are posted to your account, and when an overdraft fee will be charged. If you have questions, you should contact a financial center representative or the Member Contact Center at 817-882-0800 or 1-800-333-9934.

YOUR CHECKING ACCOUNT BALANCE. Your checking account has two kinds of balances: (1) the “actual” or “current” balance and (2) the “available” balance. Both balance types may be checked when you review your account online, through mobile banking, at a credit union owned ATM, at a financial center, or if you call the credit union. 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.

Actual Balance - Your “actual” balance or “current” balance is the amount of money in your account at the beginning of a business day. This amount does not include any pending deposits or withdrawals.

Your actual balance reflects transactions that have “posted” or “settled” to your account but does not include transactions that have been authorized and are pending (i.e., “not posted” or otherwise settled). While it may seem that the actual balance is the most up-to-date display of the funds that you can spend from your account, this is not always the case. Your account may have purchases, holds, fees, other charges or deposits made on your account that have not yet posted or settled and, therefore, will not appear in your actual balance.

Example of Actual Balance. If you have a \$100.00 actual balance and you wrote a check for \$60.00, then your actual balance will show \$100.00 because the actual balance does not include the pending check transaction which has not yet posted or settled to your account. While your actual balance is \$100.00, you have already spent \$60.00.

Available Balance - Your available balance is the amount of the actual balance that is available for use without incurring an overdraft fee or transfer fee (as applicable). Your available balance considers holds that have been placed on deposits and pending transactions (such as pending debit card transactions) that the credit union has authorized, but not yet posted or settled to your account. In other words, the available balance is your actual balance less any pending ATM withdrawals, debit card purchases, ACH transactions, checks being processed or other pending withdrawals from your account and less any deposits that are not yet available due to the credit union’s Funds Availability Policy. The available balance does not include checks you have written that have not yet been processed or pre-scheduled debits (e.g., health club dues automatically debited from your account at a certain time each month). NOTE: Holds on pending debit transactions may fall off before the transaction is posted or settled to your account. We have no control over when we receive debit transactions from the merchant so they may be posted to your account. As a result, if the merchant does not send us the transaction timely, and the hold on the pending debit transaction falls off, the available balance may not be accurate. The best way to know how much money you have and avoid paying transfer or overdraft fees is to record and track all of your transactions closely.

Example of Available Balance. If your actual balance and available balance are both \$100 and you swipe your debit card at a restaurant for \$40, the merchant could ask the credit union to pre-

authorize the payment. The credit union would place a “hold” on your account for \$40. Your actual balance is still \$100 because the debit card transaction has not yet posted or settled to your account; however, your available balance would be \$60 because you have already authorized the \$40 payment to the restaurant. When the restaurant submits the transaction for payment (which could be a few days later and could be for a different amount if you have added a tip), the credit union will post the transaction to your account and your actual balance will be reduced.

For debit card transactions involving merchant holds, there may be a delay between the hold being applied and the transaction posting to your account. During the delay, intervening transactions may impact the available balance in your account.

Example of Overdraft Fee for Insufficient Available Balance. If your actual balance and available balance are both \$100 and you swipe your debit card at a restaurant for \$40, a hold is placed on your account and your available balance will be reduced to \$60. Your actual balance is still \$100 because the transaction has not yet posted or settled to your account. If a check that you had previously written for \$70 clears through your account before the restaurant charge is sent to the credit union for processing, you will incur an overdraft fee or transfer fee (as applicable). This is because your available balance was \$60 when the \$70 check was paid. In this case, the credit union may pay the \$70 check under either the overdraft transfer service (if such service is set-up and funds are available) or the overdraft protection service and charge you the applicable overdraft fee each time any payment instrument or payment method, including in-person withdrawal, ATM, check, ACH, debit card transaction or other electronic transaction, is presented for payment against an insufficient available balance. The overdraft fee will also be deducted from your account, further reducing your available balance.

HOW TRANSACTIONS ARE POSTED TO YOUR ACCOUNT.

There are basically two types of transactions related to your account: (1) credits or deposits into your account, and (2) 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 the credit union posts transactions to your account.

➤ **Credits** - Most deposits are added to your account when the credit union receives them. There may be extended holds on certain checks. Thus, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, you should see that section of your Membership and Account Agreement and other applicable disclosures addressing funds availability including, but not limited to, the credit union’s Funds Availability Policy.

➤ **Debits** - There are several types of debit transactions from, or payments out of, your account. Debit transactions are described generally below. There are many ways transactions are presented for payment by merchants, and the credit union is not necessarily in control of when transactions are received.

- **Checks.** When you write a check, it is processed through the Federal Reserve system. The credit union receives data files of cashed checks from the Federal Reserve each business day. The checks drawn on your account are compiled from these data files and paid daily. To your benefit, when multiple withdrawals are processed in the same debit posting, items will be processed from the lowest to highest amount.

- **ACH Payments.** The credit union receives data files every business day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example,



automatic bill payments. To your benefit, when multiple withdrawals are processed in the same debit posting, items will be processed from the lowest to highest amount.

- **Point of Sale (POS) Debit Card Transactions.** These are transactions where you use your debit card, and you enter your personal identification number (PIN) at the time of the sale. They are like ATM withdrawals because money is usually deducted from your account immediately at the time of the transaction.

- **Signature Debit Card Transactions.** These are transactions where you make a purchase with your debit card, and you do not enter your PIN. In these situations, the merchant may seek prior authorization for the transaction. When that happens, the credit union generally places a temporary hold against the available funds in your account. The credit union refers to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from your available balance. Authorization holds are deducted from your available balance, but not your actual balance until the actual debits are received by the credit union and posted or settled to your account. At some point after you perform the transaction, it is processed by the merchant and submitted to the credit union for payment. This can happen hours or sometimes days after you perform the transaction, depending on the merchant and its processing company. Note: Some lower dollar signature debit card transactions may be processed as a POS transaction (without entry of your PIN), deducting money from your account immediately at the time of the transaction; the credit union has no control over how transactions are processed or routed by a merchant.

The amount of an authorization hold may differ from the actual payment to the merchant because the final transaction amount may not yet be known to the merchant when the authorization request is submitted to the credit union. 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 or settles, it may include any tip that you have added to the bill. This may also be the case where you swipe your debit card at car rental companies, gas stations, hotels, and other retail establishments. The credit union cannot control how much a merchant asks the credit union to authorize, or when a merchant submits a transaction for payment.

- **ATM Withdrawals.** These transactions are like POS debit card transactions because money is usually deducted from your account immediately at the time of the transaction.

This is a general description of how certain types of transactions are posted. These practices may change, and the credit union reserves the right to pay items in any order we chose as permitted by law. The credit union may receive multiple deposits and withdrawal transactions on your account in many different forms throughout each business day.

Credit Union is Not Obligated to Pay Overdrafts. The credit union is not obligated to pay any check, item or transaction presented for payment if your account does not contain sufficient available funds. Rather than automatically returning, unpaid, any insufficient available funds items or transactions that you may have, if your account is in good standing, which includes at least: (A) you are not in default on any loan or other obligation, (B) your account is not continuously overdrawn for more than 20 days, (C) you make regular deposits consistent with past practices, and (D) your account is not the subject of any legal or administrative action, garnishment, order, freeze or levy, the credit union will consider, without obligation on the credit union's part, approving your reasonable overdrafts.

The credit union may refuse to pay an overdraft for you at any time, even though your account is in good standing and even though the credit union has previously paid overdrafts for you. If the credit union does not authorize and pay an overdraft, your item or transaction will be declined. The credit union has no obligation to notify you before the credit union pays or returns any item or transaction. If there is an overdraft paid by the credit union on an account with more than one owner, each owner, and agent or representative if applicable, will be jointly and severally liable for such overdrafts plus the overdraft fee. Once your account is overdrawn, you are obligated to bring your account to a positive balance immediately. If your account is not brought positive immediately, the credit union may suspend or terminate overdraft privileges and/or close your account in accordance with applicable law and report such negative balance to a nationwide specialty consumer reporting agency under the federal Fair Credit Reporting Act (FCRA) and/or refer your account to third party collectors. You are responsible for all costs of collection including, but not limited to, attorneys' fees and court costs.

Limitations. The credit union may, from time to time, limit the number of accounts eligible for overdraft services. Overdraft service, without limitation, is not offered to on money market or savings accounts.

Payment of Overdraft Fees. Please contact the credit union immediately if you are having difficulty repaying an overdrawn account. Repayment options or alternatives may be available to you.

Records. We encourage you to keep careful records and practice good account management. This will help you to avoid writing checks or initiating new transactions without sufficient available funds and incurring the resulting fees.

Financial Education. The credit union believes financial literacy and education helps consumers make informed decisions. Heightened awareness of personal financial responsibility helps consumers realize the benefits of responsible money management, understanding the credit process, and the availability of help if problems occur. www.MyMoney.gov is the federal government's website that serves as resource for federal financial literacy and education programs, grants and other information. Call 1-800-FED-INFO if you have a question about federal agencies, programs, benefits, or services related to financial literacy and education.

No Guarantee. The overdraft service does not constitute a guarantee or an actual or implied agreement between the credit union and you, nor does it constitute an actual or implied obligation of or by the credit union. The overdraft service represents a purely discretionary service that the credit union may provide to you from time to time and which may be cancelled, withdrawn, or withheld by the credit union at any time without prior notice or reason.

Please refer to EECU's website, www.eecu.org, for the most current information on EECU's overdraft services, and the most current version of our Account Fee Schedule.