

## KEEP YOUR OVERSIGHTS UNDER CONTROL

We're all human, which means we might make a mistake from time to time on our accounts. However, you can keep your small oversights small with Overdraft Privilege (ODP). FCCU can help make sure that a small concern won't get any bigger with Overdraft Privilege.

### 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. Overdraft Privilege is not a line of credit and is not guaranteed. You should manage your accounts responsibly and never depend on the service to pay your transactions. ODP only applies when no other form of overdraft protection is available. ODP is based on the available balance in your account. Other forms of overdraft protection that may be less costly are available to you.

### WHO IS COVERED BY OVERDRAFT PRIVILEGE<sup>1</sup>?

ODP is available to FCCU members:

- with an eligible checking account
- 18 or older
- that maintain their account in good standing.

To ensure that your account is covered by ODP for ATM and everyday debit card transactions, you will need to complete an Opt In form providing FCCU with instructions to implement the Enhanced ODP program on your checking account.

### HOW DOES OVERDRAFT PRIVILEGE WORK?

**Standard Overdraft Practices** come automatically (Standard ODP) with most checking accounts upon qualification.

The **Standard overdraft option** covers the following types of transactions:

- Check and other transactions made using your checking account number (for example, ACH transactions)
- Automatic Bill Payments
- Recurring debit card transactions

The **Enhanced overdraft option** will cover the following transactions if you ask us to:

- ATM transactions
- One-time and everyday Debit Card transactions

On any given business day, we may honor items for payment, including checks, recurring debit card transactions, ACH transactions, everyday debit card

transactions and ATM withdrawals based on the instructions you provided us on the Opt In form for ATM and everyday debit card transactions. Contact us for an opt-in form or login to Online Banking to access the form.

FCCU will strive to pay your reasonable overdrafts as a discretionary courtesy and not a right or obligation up to the pre-determined ODP limit on your account including the ODP fee for each transaction as long as your account remains in good standing.<sup>1</sup> Transactions may not be processed in the order in which they occurred, which can affect the total amount of overdraft fees incurred.

Once ODP is used to cover an item, your account will be in the negative for the transaction amount plus the fee. You will need to make a deposit to bring your account positive as soon as possible. Overdraft Privilege fees will apply to paid overdrafts. Limits vary and are subject to change based on membership factors.

## ACTUAL BALANCE VS. AVAILABLE BALANCE

It is important to understand that your checking account has two kinds of balances: the "actual balance" and the "available balance." Funds used to pay transactions may be limited based on the available balance. The available balance will be used to determine if your account will be overdrawn. You can check the amount of your actual balance and your available balance when you review your account.

### ACTUAL BALANCE

The actual amount of money in your account at any given time and reflects transactions that have been posted to your account. It does not reflect transactions that are pending. For example, if you have \$50 in your account and you write a check for \$40, then your actual balance remains at \$50 until the check is posted to the account. The actual balance does not reflect the pending check while it is in transit to be settled with us for settlement.

### AVAILABLE BALANCE

The balance available for you to use without incurring Overdraft Transfer or Overdraft Privilege fees. The available balance takes into account holds placed on account funds such as check deposit holds, holds for pending debit card transactions that have been preauthorized but not yet posted and legal holds.



### ADDED PROTECTION

If you use your ODP, each item will be assessed a fee for each use.

1st occurrence within a 12 month rolling period	\$10.00 fee
2nd to 4th items within a 12 month rolling period from the last overdraft	\$28.00 fee per item
5th occurrence and beyond within a 12 month rolling period from the last overdraft	\$35.00 fee per item
Transactions or purchases \$5 or less	No charge

After 12 months from the last occurrence, the count will reset and start over again.<sup>2</sup> Multiple Overdraft Privilege fees may be assessed in one day if multiple items are paid. However, we will not charge Overdraft Privilege fees on overdrafts in excess of eight per day.



### GOING BEYOND THE OVERDRAFT LIMIT

- Anything that comes in and is over your established limit, may result in an item being Returned to the Payee.
- In such a case, the normal Rejected Item fee will be charged per item and assessed to your account.



### OVERDRAFT TRANSFERS

Overdraft Transfers is a less expensive alternative to cover an insufficient account. Transfers can be automatically made from a savings account, a line of credit or a credit card account. A Line of Credit and credit cards do have certain credit restrictions. Overdraft Transfers protection can be opted into on the application for a checking account.

Make Overdraft Privilege Work for YOU



## MAKE OVERDRAFT PRIVILEGE WORK FOR YOU

Here are some helpful hints to avoid exceeding your account balance in order to reserve Overdraft Privilege for when you really need it.



### KNOW YOUR BALANCE

Record all transactions in your account register as this will provide your most accurate balance. Use Online Banking to track items that have cleared. All items beyond your balance will be subject to the ODP fees, up to your ODP limit.



### CONFIRM CHECK HOLDS

We work to make your funds available as quickly as possible after a check deposit is made but there are some cases where a check hold will apply. Make sure you are aware of these holds to know when your funds are available. Electronic deposits are generally available on the same day we receive the deposit. By keeping up with check holds, you can prevent using funds prematurely.



### MAKE TIMELY DEPOSITS

There is a negative collection account fee assessed any time your account remains negative for an extended period of time. For this reason, we expect that you will make a deposit as soon as possible to maintain this privilege and to avoid any additional fees and collection efforts.

### QUICK TIP

Use Direct Deposit to make sure that your deposits arrive quickly and safely for immediate use.



### SECURE YOUR SAFETY NET WITH ODP TODAY!

Ensure your safety net is there if you need it and Opt-In today! If you haven't submitted your choice, simply opt in by writing to us, by phone, within the Online Banking system or in-person at any one of our branches. Once your selection has been processed, you will be covered if you need some extra cash for an emergency or unexpected situation.

<sup>1</sup>Overdraft Privilege may not be available on certain checking accounts. Overdraft Privilege is contingent on your FCCU consumer checking account being open and thereafter, you maintain the account in good standing, which includes at least:

- Maintaining an active account by making consistent deposits.
- Depositing an amount equal to or greater than the amount of discretionary overdraft privilege extended to your account and bringing your balance positive as soon as possible.
- You are not in default on any loan or other obligation to us
- You are not subject to any legal or administrative order/levy
- Other exclusions may apply

Accounts not fulfilling these obligations will have Overdraft Privilege suspended until it is brought back to good standing.

<sup>2</sup>After 12 months from the last overdraft occurrence, the item count will reset. Purchases/transactions of \$5 or less will count as an overdraft occurrence.

Making a FIRST RATE financial difference in our members' lives!



281.856.5300  
FCCU.org



01/19



## OVERDRAFT PRIVILEGE



MISTAKES MAY HAPPEN –  
BE COVERED WITH ODP



**FIRST COMMUNITY CREDIT UNION**  
**Discretionary Overdraft Privilege Policy**  
**Consumer Accounts**  
**Effective January 22, 2019**

It is the policy of First Community Credit Union ("FCCU") to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Consumer Deposit Agreement for First Community Credit Union (Deposit Agreement) and its terms (including all amendments thereto) shall control any possible conflict, if any, between any provision of the Deposit Agreement and this Discretionary Overdraft Privilege Policy. A copy of the Deposit Agreement is available online at FCCU.org or at any branch office.

An overdraft occurs when you do not have sufficient available funds in your account or by way of any overdraft protection option to pay a transaction presented to us for payment, whether the transaction is made by check, electronic Automated Clearing House (ACH), ATM or debit card, online bill payment or other means. If this occurs, and if no other form of overdraft protection is available, rather than returning the transaction to the sender for insufficient funds and charging a Rejected Item fee, our discretionary Overdraft Privilege Service may provide eligible account holders in good standing with the ability to have the transaction paid and charged to their checking account. Eligible account holders must be at least 18 years old and have a consumer checking account (used only for family or household purposes). In addition, account holders must maintain their checking accounts in good standing as determined by the Credit Union, which includes without limitation:

- Making an immediate deposit to bring your account to a positive balance.
- Not being in default on any loan or other obligation owed to the credit union.
- Not being subject to any legal or administrative order or levy.

Upon qualification, this service will automatically be extended to your primary checking account for check, ACH, online bill payment and recurring debit card transactions. If you would like the service to apply to your ATM and everyday debit card transactions, you must affirmatively opt-in by completing our opt-in form. Some types of checking accounts may not be eligible for the Overdraft Privilege Program.

**Opt-Out:** If you wish to opt out of any overdraft privilege option we offer, you may do so at any time by notifying us in writing or by phone, within the Online Banking system, or in-person at one of our branch offices.

An Overdraft Privilege fee of up to \$35 will apply for each transaction paid using the Overdraft Privilege Program. The maximum number of Overdraft Privilege fees is limited to eight per day, and we will not charge a fee for transactions or purchases that are \$5 or less. However, each overdraft item will count as an occurrence. The overdraft fee will be charged on the day the transaction is posted to your account and then the fee will be refunded the next business day. Refer to our Fee Schedule available on our website and in any branch office for complete fee terms. We offer additional types of overdraft protection services, such as Overdraft Transfer, which automatically transfers available funds from your designated savings, line of credit, and/or credit card account to pay a transaction when your checking account does not have sufficient available funds, that may be less expensive than the Overdraft Privilege Program. Please contact us to learn more about these options.

Overdraft Privilege is not a line of credit and is not guaranteed. You should manage your accounts responsibly and never depend on the service to pay your transactions. However, if you should occasionally and inadvertently overdraw your account and you qualify, we will strive to pay your reasonable overdrafts, subject to your Overdraft Privilege limit and the amount of the Overdraft Privilege fee. Please be aware that transactions may be processed in any order, but are generally processed in the order they are received. In any event, the order in which we process your transactions may be different from the order in which they occurred, and this can affect the total amount of overdraft fees you may incur. If multiple items

or other payment orders (collectively, "items") are paid with Overdraft Privilege in one day, multiple fees may be incurred. The order in which we pay items may cause your larger items not to be paid first (such as your rent or mortgage payment), but may reduce the amount of Overdraft Transfer and Overdraft Privilege fees you have to pay if sufficient funds are not available. **To avoid overdraft fees, you must carefully track all your transactions to ensure you have sufficient available funds available in your checking or other applicable accounts when the transactions are presented to us.**

First Community Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Please refer to the Deposit Agreement for information about the available funds balance and how it can affect overdrafts. Any discretionary payment (or other negotiation or processing) by First Community Credit Union of any non-sufficient funds check or other item does not obligate or create an agreement or course of dealing for First Community Credit Union to pay any additional non-sufficient funds check or item or to provide prior notice of its decision to refuse to pay any additional non-sufficient funds check or item.

This discretionary Overdraft Privilege Program for consumer checking accounts will be limited in amount based on membership factors such as age of account, deposit activity and history, and overdraft activity and history, including repayment history. Limits may vary and are subject to change at any time without notice.

Overdraft Privilege fees will be included and will reduce a member's Overdraft Privilege limit. The total of the discretionary Overdraft Privilege balance, including Overdraft Privilege fees is due and payable upon demand. We expect that you will be making an immediate deposit to bring your account to a positive balance. The member and each joint owner will continue to be liable, jointly and severally, for all such amounts, as described in the Deposit Agreement. In addition, should a member's account remain overdrawn an extended period of time, we may suspend or terminate the member's Overdraft Privilege, and the member and any joint owners will be responsible for any applicable collection fees incurred. Once again, while First Community Credit Union will have the non-contractual discretion to pay overdrafts on accounts in good standing (as described above) in accordance with this policy, any such payment is a discretionary courtesy, and not a right of the account holder or an obligation of First Community Credit Union and First Community Credit Union in its sole and absolute discretion may cease paying overdrafts at any time without prior notice of reason or cause.

We want you to understand how our Overdraft Transfer and Overdraft Privilege services work so that you can manage your account effectively and avoid overdraft fees. Please refer to the Deposit Agreement for additional information about our overdraft services. If you do not understand the services or if you are having trouble managing overdrafts on your account, please contact us for assistance.

**281.856.5300 • 800.456.3228**  
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