

What You Need to Know about Overdrafts and Overdraft Fees

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We look at the available balance when determining whether there is an overdraft. Available balance is the ledger balance minus transactions that have been preauthorized such as gas station purchases, hotels or reservations or other such items that have not yet been debited from your account. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account.
2. We also offer overdraft protection plans, such as a link to a savings account or a line of credit, which may be less expensive than our standard overdraft practices. To learn more, please ask us about these plans.

This notice explains 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
- Electronic ACH transactions

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 fees will I be charged if UMCU pays my overdraft?

Under our standard overdraft practices:

- We will charge you a fee of \$30 each time we pay an overdraft.
- You will not be charged a fee on transactions less than \$10 that overdraw your account.
- There is no maximum number of overdraft fees per day on your account.

What if I want UMCU to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call us at (734) 662-8200, visit www.umcu.org or complete the form below. You may fax it to 734-996-4522, mail it to P.O. Box 7850, Ann Arbor, MI 48107-7850 or bring it to any one of our branches.

_____ I **DO** want UMCU to authorize and pay overdrafts on my ATM and everyday debit card transactions.

_____ I **DO NOT** want UMCU to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____ Account Number: _____

Date: _____

UNIVERSITY OF MICHIGAN CREDIT UNION

COURTESY PAY DISCLOSURE

To provide the highest level of service to our members, University of Michigan Credit Union (UMCU) has adopted this discretionary overdraft policy to provide consistency and fairness in managing overdrafts. Courtesy Pay is not a contractual agreement, a line of credit or a loan. If you maintain your account in good standing, we may, at our sole discretion, pay a check or pre-authorized electronic (ACH) transaction (including bill payments) when the amount withdrawn exceeds the amount in your checking account. If you do not want us to pay your overdrafts for checks or ACH, you must notify us to “opt out”. If you receive a direct deposit of your social security or other federal benefit check, you must opt out if you do not want us to apply those funds to repay an overdraft.

We will not authorize any Point-of-Sale (POS) or one-time debit card transaction when the amount withdrawn exceeds the amount in your checking account unless you provide your affirmative consent for us to do so (“opt in”). You have the right to revoke this authorization at any time (“opt out”). In paying these items, your checking account may be overdrawn by up to \$500, including any and all fees and charges.

Good standing may include, but is not limited to, any or all of the following criteria and is subject to change:

- You are at least 18 years of age.
- You are not in default (35 days or longer past due) on any loan or other obligation to us.
- You are not subject to any legal or administrative order or levy.
- Your account has not been overdrawn longer than 45 days.
- You do not have a revoked ATM or Debit Card.
- You have a valid mailing address on file with UMCU.

A Courtesy Pay fee, as set forth in the Fee Schedule, will be charged for each item submitted and paid that overdraws your checking account by less than \$500. You will not be charged for a fee if the transaction is less than \$10.00. There is no limit to the number of total fees we can charge you for overdrawing your account. You are not charged for using Courtesy Pay unless you have an overdraft. Transactions may not be processed in the order in which they occur; the order in which transactions are received by UMCU and processed can affect the total amount of overdraft fees incurred. If your checking account is overdrawn 45 consecutive days, the account will be closed.

It is the policy of UMCU to comply with all applicable laws and regulations. The Membership and Account Agreement controls the duties, obligations and rights of the member, the authorized signatories and UMCU with regard to your checking account. The Membership and Account Agreement terms shall control any possible conflict between any provision of this overdraft policy and the Membership and Account Agreement.