

Understanding Overdraft Privilege and Your Available Balance

Overdraft Privilege helps protect you against having your checks returned in the event of an inadvertent overdraft of your account by giving you a reserve for emergencies or unexpected situations. There is no fee for having this privilege on your account, you are only charged if you overdraw your account. You do not have Overdraft Privilege on your account until you receive written confirmation from us that it has been added to your account.

Here is how Overdraft Privilege works for you. Overdraft Privilege is not a line of credit. However, if you overdraw your account, we will normally pay the overdraft, subject to the limit of your Overdraft Privilege.

For example, suppose you do not have Overdraft Privilege and your account balance is \$50. If you write a check for \$100, FinancialEdge Community Credit Union will charge your account a fee (currently \$25.00) for writing a check with insufficient funds, and will then return the check. In most cases, the establishment that you wrote the check to will require you to redeem the check and will probably charge you a fee (usually around \$25) for writing an NSF check. This means that you have now incurred two fees (\$25.00 at FinancialEdge Community Credit Union and \$25 at the merchant) for a check that wasn't even paid.

However, if you had \$500 of Overdraft Privilege, here is how the situation typically would have worked. When the check arrived at FinancialEdge Community Credit Union, FinancialEdge Community Credit Union would pay the check and charge you the \$25.00 fee for an overdraft transaction. The total charge to you would have been \$25.00 compared to \$25.00 PLUS \$25.00 in merchant fees if you had not had Overdraft Privilege. Additionally, you avoid being added to any bad check lists on the check approval networks or with the merchant.

When you use your Overdraft Privilege you must remember to subtract the overdraft fee from your account balance. In the example above you would have subtracted \$125.00 from your account: \$100 (the amount of the check) plus \$25.00 (the amount of the overdraft fee). Any additional items that come in while your account has a negative balance will also be charged the NSF fee of \$25.00 per item. It is important to record these fees. The next deposit that you make will bring your balance to the amount of the deposit minus the amount you were overdrawn and the overdraft fee.



ATM machine receipts, and other ways in which you can get available balance information, will show your current available balance, not including Overdraft Privilege. Overdraft Privilege is available to you at the ATM. To access your Overdraft Privilege at the ATM you must request to withdraw funds from your account in excess of your available balance.



Understanding your ATM Receipt

To the right is an example of a FinancialEdge Community Credit Union ATM receipt. Below are descriptions of the items on the receipt.

- Date: Date of transaction
- Time: Time of transaction
- Term: ATM Terminal Used
- Address of ATM Terminal
- ATM/Debit Card Number
- Record No.: Sequence Number
- Transaction Description
- FR: Account Accessed
- Ledger Bal: Actual acct balance
- Avail Bal: Actual acct balance minus holds, debit authorizations, etc.

Date	Time	Term
xx/xx/xx	xx:xx	IP4098
1199 S Euclid Bay City, MI		
xxxxxxxxxxxx		
Record No.		xxxx
Withdrawal		
FR	xxxxxx	Checking
Ledger Bal		\$ x.xx
Avail Bal		\$ x.xx
Retain Receipt for Your Records – Thank You		

Your overdraft privilege limit is **NOT** included in either the ledger or available balance.

Points to Remember about Overdraft Privilege

- ▶ Every debit item on an overdrawn account will be charged an NSF fee of \$25.00.
- ▶ You must promptly repay the amount of the overdraft and the overdraft fee.
- ▶ Your Overdraft Privilege will not be included as part of your available balance at an ATM. Your overdraft privilege is available to you at the ATM if you overdraft your available balance. Thus, your withdrawal amount may include funds and fees provided as part of the Overdraft Privilege.
- ▶ You must bring your account to a positive balance within 30 days or the Overdraft Privilege will be taken off of your account.
- ▶ You do not have Overdraft Privilege until you receive a letter telling you that it has been put on your account.

Overdraft Privilege Terms and Conditions

You must maintain your account in good standing, which includes at least:

- ▶ Depositing an amount equal to the amount of discretionary courtesy overdraft extended to you or more in your account within each thirty (30) day period and bringing your account balance to a positive balance;
- ▶ You are not in default on any loan or other obligation to FinancialEdge Community Credit Union; and
- ▶ You are not subject to any legal or administrative order or levy.