



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 can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account. (See Overdraft Privilege disclosure for details.)
2. We also offer overdraft protection plans, such as a link to a savings account or to an overdraft line of credit, which may be less expensive than our standard overdraft practices. To learn more, 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 number
- Automatic bill payments

We will 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 Memorial Credit Union pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of up to \$28.00 each time we pay an overdraft.
- There is no limit on the total fees we can charge you for overdrawing your account.

➤ **What if I want Memorial Credit Union 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, complete the form below and present it at a branch, fax to 713-778-6360, or mail to 7789 SW Freeway Suite 120, Houston, TX 77074.

If you authorize the Credit Union to pay overdrafts for ATM and everyday debit card transactions, you may revoke it at any time.

 I do want Memorial Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

I do not want Memorial Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Signature: _____

Printed Name: _____

Date: _____

Account Number: _____



Privilege Pay is a service we provide to our checking account members to cover inadvertent overdrafts. The service is subject to the eligibility criteria and other constraints as explained below.

- **You are NOT required to have this service on your account**-You may opt-out at any time.
- **The payment of overdrafts is not guaranteed**-With Overdraft Privilege we will generally pay your overdraft items up to \$500, however, whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts. We pay items based on the available balance in your account. The available balance is your ledger balance minus any holds.
- **You will be charged an overdraft fee for each insufficient item paid into overdraft**-You will be charged our normal overdraft or return item fee, currently \$28.00 for each item that is presented. When more than one overdraft item is presented and paid, multiple overdraft fees may be charged. Both the amount of the overdraft items and all other fees, including but not limited to overdraft fees, are included in this limit.
- **Suspension of Overdraft Privilege**- If you overdraw your account, you must return the account to a positive balance within 30 days, or your Privilege Pay will be suspended. Your Privilege Pay may be suspended if you fail to meet our eligibility criteria and if we believe you are not managing your account in a responsible manner which may harm you or the Credit Union.
- **Deposits to Overdrawn Accounts** - All deposits to overdrawn accounts are applied to the negative balance.
- **Closing of Overdrawn Accounts**-Checking accounts that remain overdrawn for 45 consecutive calendar days will be closed and charged off.
- **Excessive Use** – Privilege Pay is not designed to be used as a permanent solution for financial needs. The Credit Union monitors accounts for excessive use and we may remove Privilege Pay if we believe you are not managing your account in a responsible manner which may harm you or the Credit Union.

Overdraft Protection Options. There are other overdraft protection options available to you which may be less costly-please contact a Member Service Representative for applicable terms and conditions:

Product/Service	Description	Cost
<i>Transfer from another account</i>	If you have other accounts with us, you can authorize us in advance to transfer the funds needed to cover overdrafts	(\$ 5.00) per transfer
<i>Overdraft Line of Credit</i>	This product requires you to complete an application and approval and Annual Percentage Rate (APR) are based on your credit worthiness.	APR and (\$1.00 per transfer)

Eligibility Criteria - No application is required; eligibility is at the discretion of the Credit Union. You may not be granted Overdraft Privilege if:

- Your account has been open for less than 60 days
- Your account type is not eligible
- You are more than 30 days past due on any Credit Union loan or delinquent on any other obligation to the Credit Union
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding
- You have an outstanding Overdraft Repayment Plan balance
- Your account is being reviewed for fraudulent activity
- The primary account owner is less than 18 years old
- A ChexSystems or other negative indicator has been reported to us
- Your account is classified as inactive
- You have an unresolved prior loss with the Credit Union
- We do not have a valid address for you

Transactions Eligible for Overdraft Privilege Coverage:

- Checks
- Internet Banking
- ATM *
- ACH transactions
- Preauthorized automatic transfers
- Everyday Debit Card*
- Telephone Banking

***ATM/Everyday Debit Card Transactions** - Privilege Pay will only be available for ATM and everyday debit card transactions if you authorize the Credit Union to pay those transaction types (see ATM/Debit Card Consent Form). If you authorized Privilege Pay for ATM transactions, please verify your balance before initiating an ATM withdrawal. Your available balance is your actual balance minus any holds.

Privilege Pay Opt Out - If you do not want to have Privilege Pay, simply contact us and we will provide you an opt out form to remove this benefit from your account. If you opt-out, you may still be charged our \$28.00 returned item fee. Members who receive Social Security, federal direct deposit or any other entitlement benefit must opt-out if they do not want the Credit Union to apply those funds to pay an overdraft.

Payment Order of Items – Items presented for payment may not be processed in the same order as they were received and that order may affect the total fees assessed to your account. Generally the first items that we pay are ATM withdrawals, debit card transactions, and any checks cashed by our employees or that you have written to us. We then pay any items that were submitted electronically, such as ACH items, preauthorized automatic transfers, telephone-initiated transfers and any other electronic transfers. Finally, we pay the remaining items base on presentment sequence.

NOTE: Holds placed on your available account balance for pending debit card/electronic transactions, including gasoline, hotel/rental car deposits, etc, may reduce your available balance and cause your account to become overdrawn. **Your available balance is your actual balance minus any holds.**

Financial Education – The Credit Union believes that financial literacy and education helps consumers make informed decisions. Awareness of personal financial responsibility allows consumers to realize the benefits of responsible money management, understand the credit process and the availability of help if problems occur. www.MyMoney.gov is the federal government’s website for federal financial literacy and education programs, grants and other information.

Checking Account Agreement - Your account agreement describes the duties, obligations, and rights of depositors, authorized signatories and the Credit Union with regard to your deposit accounts. That account agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. Your account agreement and this disclosure shall be construed so as to minimize conflicts between them.

Waiver: The Credit Union’s forbearance from, or delay in, exercising any of the Credit Union’s rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this Privilege Pay disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Credit Union’s rights, remedies or privileges.

Remedy: You and the Credit Union agree that the exclusive remedy and forum for all disputes arising out of the Privilege Pay or your or Credit Union’s performance there under, except for matters you or Credit Union take to small claims court, is arbitration by an independent arbitrator pursuant to the applicable rules of the American Arbitration Association, except as prohibited by law.

Effective Date- All information listed in this disclosure is effective September 5, 2017.