

## **ADVIA CREDIT UNION – INFORMATION AND GUIDELINES REGARDING COURTESY PAY OVERDRAFT PROTECTION AND YOUR ACCOUNT**

This document explains the circumstances when Advia Credit Union (Advia or “we”) will pay overdrafts to your Checking Account and charge you a fee. An “overdraft” means there is not enough available balance in your account to pay for a transaction. If we pay for an overdraft, we will charge \$29.50. The \$29.50 charge is described on our Service Price Listing as a **Courtesy Pay Coverage on Overdraft** and is updated periodically.

### **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. We can cover your overdrafts in two ways:

1. Use the standard overdraft practices that come with your account; or
2. Offer overdraft protection plans, such as a linked Savings Account or Line of Credit (subject to loan approval) which may be less expensive than our standard overdraft practices. To learn more, visit us at [adviacu.org](http://adviacu.org) or contact us at 844.ADVIA.CU (844.238.4228) to ask about these options.

### **What are the standard overdraft practices that come with my account?**

We authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your Checking Account
- Automatic bill payments

### **For those overdrafts indicated above, are all authorized and paid?**

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 types of transactions are not authorized automatically for overdraft coverage?**

Following regulations that became effective in 2010, we will not authorize and pay overdrafts for the following types of transactions unless you ask us to:

- ATM transactions
- One-time Visa® Debit Card transactions

### **What charges will I incur if Advia Credit Union pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of up to \$29.50 each time we pay an overdraft
- There is no limit on the total fees we can charge you for overdrawing your account

### **How do I change my election for overdraft coverage?**

You may change your election status by contacting Advia through any of the following:

- An Advia branch
- Fax (269.226.5579) or mail (6400 West Main Street; Kalamazoo, MI 49009)
- Via a Financial Solutions Specialist at 844.ADVIA.CU (844.238.4228)
- Via Advia Virtual Assistant (Ava) at [adviacu.org/chatwithava](http://adviacu.org/chatwithava)

### **Opting in for Courtesy Pay Overdraft Coverage Related to ATM and Debit Transactions**

For ATM and one-time Debit Card transactions, you must affirmatively consent by opting into this coverage. Without this consent, we may not authorize and pay an ATM or one-time Debit Card transaction which may result in your card being declined if there are not sufficient available funds to cover your transaction(s).

### **Checking Account Balance Definitions**

The following is important information regarding your Checking Account balance, how transactions are posted to your account, and when a Courtesy Pay charge will be assessed. Please read these disclosures carefully. If you have questions, please see a Financial Solutions Specialist, or call 844.ADVIA.CU (844.238.4228).

Your Checking Account has two kinds of balances: the “actual” balance and the “available” balance. Both can be checked when you review your account online, at an ATM, by phone, by mobile application, or at a branch. 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.

#### **“Actual” Balance Described**

Your ACTUAL balance is the amount of money that is actually in your account at any given time. It reflects transactions that have “posted” to your account, but not transactions that have been authorized and are pending. While the term “actual” may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted will not appear in your actual balance. For example, if you have a \$50 actual balance, but you just wrote a check for \$40, then your “actual” balance is \$50 but it does not reflect the pending check transaction. So, at that point, you actually have \$50 but you have already spent \$40.

#### **“Available” Balance Described**

Your AVAILABLE balance is the amount of money in your account that is available to you to use without incurring a Courtesy Pay fee. The available balance takes into account things like holds placed on deposits and pending transactions (such as pending Debit Card purchases) that Advia has authorized but have not yet posted to your account. For example, assume that you have an actual balance of \$50 and an available balance of \$50. If you were to use your Debit Card at a restaurant to buy dinner for \$40, then that merchant could ask Advia to pre-authorize the payment. In that case, we will put a “hold” on your account for \$40. Your actual balance would still be \$50 because the transaction has not yet posted, but your available balance would be \$10 because you have committed to pay the restaurant \$40. When the restaurant submits its bill for payment (which could be up to a few days later), we will post the transaction to your account and your actual balance will be reduced by \$40.

#### **Balance Used in Determining if Account Is Overdrawn**

Your AVAILABLE balance is the balance used to determine when your account is overdrawn. The following example illustrates how this works:

Again, assume your actual and available balance are both \$50 and you swipe your Debit Card at a restaurant for \$40. A hold is placed on your account, so your available balance is only \$10. Your actual balance is still \$50. Before the restaurant charge is sent to us for processing, a check that you wrote for \$25 clears. Because you have only \$10 available (you committed to pay the restaurant \$40), your account will be overdrawn by \$15, even though your actual balance is \$50. In this case, we may pay the \$25 check, but you will be charged a Courtesy Pay fee. That fee will be deducted from your account, further reducing the balance.

It is very important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your available balance may not reflect all outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and paid from your account.

In addition, your available balance may not reflect all your Debit Card transactions. For example, if a merchant obtains your prior authorization but does not submit a one-time Debit Card transaction for payment within seventy-two (72) hours of authorization, we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been reviewed by us and paid from your account.

### **How Transactions Are Posted to Your Account**

There are basically two types of transactions in your account: “credits” or deposits of money into your account, and “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.

**CREDITS:** Most deposits are added to your account when we receive them. For some checks you deposit only \$225 will be made available at the time of deposit; the balance will be available up to eleven (11) business days later. There may be extended holds on checks over \$5,525. Thus, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, see the section of your Membership Agreement entitled “Funds Availability Policy.”

**DEBITS:** There are several types of debit transactions. Common debit transactions are described generally below. Please note that this list may not be all inclusive. Keep in mind that there are many ways transactions are presented for payment by merchants, and Advia is not necessarily in control of when transactions are received.

**Checks** - When you write a check, it is processed through the Federal Reserve System. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process checks as they are presented to the account, which means they may not clear the account in numerical order.

**ACH Payments** - We receive data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill pays you have authorized. Each day, ACH transactions for your account are presented first to post credits and then debits paid, by dollar amount, lowest to highest. Generally, we will receive multiple ACH presentment files per day.

**Point of Sale (POS) Debit Card Transactions** - These are transactions where you use your Debit Card and you enter your PIN number at the time of the sale. They are similar to ATM withdrawals because money is usually deducted from your account immediately at the time of the transaction. However, some POS transactions are not presented for payment immediately; it depends on the merchant. POS items are paid in the order in which they are presented.

**Signature Debit Card Transactions** - These are transactions where you make a purchase with your Debit Card and you do not enter your PIN but you are instead asked to sign for a purchase. As described previously, in these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally place a temporary hold against the available funds in your account. We refer to this temporary hold as an “authorization hold,” and the amount of the authorization hold will be subtracted from your available balance as they are received by us throughout the day. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received.

### **Important Additional Note about Authorization Holds**

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, pursuant to the processing networks rules a merchant (hotel, car rental company, retailer, etc.) may obtain authorization for up to 3 times the total estimated amount of your actual hotel stay, car rental, or purchase. This is deemed to be an “authorized amount” by

you and the authorized amount will not be available via your account until after your bill is finally settled with such merchant(s), which can cause an overdraft in your account. Even if your bill is satisfied with another form of payment, the merchant/retailer may continue to hold the funds as originally authorized by you for these time periods. In order to avoid problems associated with these holds and authorizations, we recommend you do not use your Debit Card when checking into hotels or renting cars, as they are the primary source of such holds/authorizations. Remember, we cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

This is a general description of how certain types of transactions are posted. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law. We may receive multiple deposit and withdrawal transactions on your account in many different forms throughout each business day. This means you may be charged more than one Courtesy Pay fee if we pay multiple transactions when your account is overdrawn. The best way to know how much money you have and avoid paying overdraft/Courtesy Pay fees is to record and track all your transactions closely.

### **Qualifications for Courtesy Pay**

Checking Accounts are qualified for Courtesy Pay on a daily basis. This means that Overdraw Tolerance (ODT), or the amount the account can be taken negative using Courtesy Pay, can change daily. Advia will not notify members when their Overdraw Tolerance changes or if they are (dis)qualified from Courtesy Pay.

Overdraw Tolerance amounts start at \$250 and go up to \$2500, depending on the balance in the account or the amount of deposits received for the account over the last 35 days. In order to qualify for Courtesy Pay and Overdraw Tolerance, the following criteria apply:

- Primary Member must be 18 years of age or older
- Checking Account must be open at least 60 days
- Minimum total deposits of \$500 within the last 35 days
- Checking Share must be present
- No active loan that has been delinquent for 16 days or more
- No Credit Card that has been delinquent for 30 days or more
- No charged off loans, bad addresses, dormancy greater than 12 months, or have previously had Courtesy Pay revoked

The above list provides reasons why an account may be disqualified from Courtesy Pay, however there may be additional factors. Please contact a Financial Solutions Specialist at 844.ADVIA.CU (844.238.4228) if you have any further questions about Courtesy Pay and Overdraw Tolerance or if you have any additional questions about the topics indicated within this document.

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