

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.
2. We also offer overdraft protection plans, such as a link to another account or a line of credit, which may be less costly 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 without your consent.

- 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 Chessie Federal Credit Union pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of up to \$30 each time we pay an overdraft
- There is no limit per day on the total fees we can charge you for overdrawing your account

➤ **What if I want Chessie Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call (301) 777-1781, visit our website at <http://www.chessiefcu.org>, complete the form below and present it at a branch or mail it to: P.O. Box 689, Cumberland, MD 21501-0689. You can revoke your authorization for Chessie Federal Credit Union to pay these overdrafts at any time by any of the above methods. Your revocation must include both your name and your account number so that we can properly identify your account.

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

_____ I want Chessie Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____

Member Signature: _____

Joint Owner Signature: _____

Date: _____

Account Number: _____



P.O. Box 689 Cumberland, MD 21501-0689 Phone (301) 777-1781

AUTHORIZATION & PAY OVERDRAFT ATM FORM SIGNATURE AND PROCEDURES

“WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES”

1. The form titled “WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES” must be presented:
 - a. To every member when opening an account or updating existing account to include adding a joint to an account, or new service regarding Checking or Savings.
 - b. To member when applying for a Debit or ATM card, include with card application.
 - c. This form is to be included in all New Account Packets.
2. Branch Management and New Account Processors – when opening an account with a member in person:
 - a. The form should be reviewed with the member or members and signed by both member and joint. Also, if there are additional members on the account all will need to sign.
 - b. Signed copy is retained with signature card
3. Branch Management, New Account Processors and ATM/Debit Card Department as well as front line staff distributing Membership Applications and/or Debit or ATM card Applications will attach form and instruct member to return signed form with application. **It is important to note that the card cannot be ordered until the signed form has been returned with the ATM/Debit Application.**
4. Upon completion of the form, the form will be scanned to the Debit Card Department (with application), Scan a copy and send the original to the Overdraft Privilege Administrator.
5. Form will be found under Y: Public > Forms > Member Forms and must be printed for use. Form will be placed in all existing new account packets in the branches, and the form will be placed in all new account packets going forward. Forms will be attached with all Debit or ATM card applications.
6. Information and instruction will be presented at Manager’s Meeting on December 18, 2018. Instruction and follow up will be conducted by Suzie Snyder.



P.O. Box 689 Cumberland, MD 21501-0689 Phone (301) 777-1781
OVERDRAFT COVERAGE OPTIONS:

OVERDRAFT PRIVILEGE AND OVERDRAFT PROTECTION

Life happens! Chessie Federal Credit Union understands that unexpected overdrafts occur from time to time – Overdraft Coverage can help.

Overdraft Coverage Options

The choice is yours. Consider these ways to cover overdrafts:

Service	Cost
Overdraft Protection Link to Another Deposit Account you have at Chessie Federal Credit Union	\$5 Fee per Transfer
Overdraft Protection Line of Credit	Subject to Interest
Overdraft Privilege	\$30 Overdraft Fee per Item

Call us at (301)777-1781 or come by a branch to sign up or apply for these services; Subject to credit approval.

Overdraft Protection services apply to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account or line of credit you may have at Chessie Federal Credit Union for a fee or finance charge. Please note that overdraft lines of credit are subject to credit approval.

Overdraft Privilege allows you to overdraw your account up to the disclosed limit for a fee in order to pay a transaction.

Transactions Covered with Overdraft Privilege	Standard Coverage (No Action Required)	Extended Coverage (Your Consent Required)	If you would like to select Extended Coverage for future transactions:
Checks	X	X	<ul style="list-style-type: none"> • Call us at (301)777-1781 • Complete the online consent form found at www.chessiefcu.org • Tellerphone – Option 3 • Visit any branch or • Complete the enclosed consent form and mail it to us at P.O. Box 689, Cumberland, MD 21502-0689
ACH – Auto Debits	X	X	
Recurring Debit Card Payments	X	X	
Online Bill Pay Items	X	X	
Internet Banking Transfers	X	X	
Telephone Banking	X	X	
Teller Window Transactions	X	X	
ATM Withdrawals		X	
Everyday Debit Card Transactions		X	

*If you choose Extended Coverage, **ATM withdrawals and everyday debit card transactions** will be included with the transactions listed under Standard Coverage. If you already have Extended Overdraft Privilege coverage, it is not necessary to request it again. Business accounts automatically have Extended Coverage.

You can discontinue the Overdraft Privilege in its entirety by visiting a branch or by contacting us at (301)777-1781.



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What Else You Should Know

- A link to another account or a line of credit is a less expensive option than an overdraft. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts.
- Even if you have overdraft protection, Overdraft Privilege is still available as secondary coverage if the other protection source is exhausted.
- Good account management is the best way to avoid overdrafts. Use our Mobile Banking, Internet Banking, and Telephone Banking services to keep track of your balance.
- The \$30 Overdraft Fee is the same fee amount that would be charged if a check was returned as unpaid. If multiple items would overdraw your account on the same day, each item would be assessed an appropriate Overdraft Fee or a Return Fee of \$30. All fees and charges will be included as part of the Overdraft Privilege Limit amount. Your account may become overdrawn in excess of the Overdraft Privilege limit amount as a result of a fee.
- For consumer accounts, there is no limit to the number of Overdraft Fees per day we will charge.
- We typically post items in the following order ATM/POS items real time (as received), ACH and checks (as received). The order in which transactions are posted may impact the total amount of Overdraft Fees or Return Fees assessed.
- Although under payment system rules, Chessie Federal Credit Union may be obligated to pay some unauthorized debit card transactions. Chessie Federal Credit Union will not authorize debit card or ATM transactions unless there are available funds (including Overdraft Coverage Options) to cover the transactions and any fee(s).
- Giving us your consent to pay every day debit card and ATM overdrafts may result in you incurring Overdraft Fees for transactions that we would otherwise be required to pay without assessing an Overdraft Fee. However, this would allow us to authorize transactions up to the amount of your Overdraft Privilege limit and may also help you avoid overdrafts in excess of your available funds that could result in restriction of your debit card.
- Except as described in this letter, Chessie Federal Credit Union will not pay items if your account does not contain available funds (including the Overdraft Privilege limit) to cover the item(s) and the amount of any fee(s).
- We may restrict your debit card use if you incur overdrafts in excess of the available funds in your account, including any Overdraft Privilege limit.
- Chessie Federal Credit Union will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction.
- Overdraft Privilege limits of up to \$600 are available for eligible Personal Checking accounts opened at least 30 days in good standing and up to \$1,000 for eligible Business Checking accounts opened at least 60 days in good standing.
- Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Overdraft Privilege may be discontinued if you default on any loan or other obligation to us, your account becomes subject to any legal or administrative order or levy, or if you fail to maintain your account in good standing by not bringing your account to a positive balance within thirty-two (32) days for a minimum of one business day.
- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Deposit Account and Disclosure Agreement. The total (negative) balance, including all fees and charges, is due and payable upon demand.

If you have any questions about Overdraft Protection or Overdraft Privilege, please call us at (301) 777-1781 or visit a branch.