

## **Members Exchange Credit Union**

### **OOPS!™ (Occasional Overdraft Privilege Service) and Your Account**

This document describes the circumstances when Members Exchange Credit Union will pay overdrafts in your checking account and charge you a fee. “Overdraft” means the available balance is not sufficient to pay for a transaction. If we pay for an overdraft, we will charge a fee of \$34.00. The \$34.00 fee is described as an overdraft fee on our Fee Schedule.

Please note that for ATM and one-time debit card transactions, you must affirmatively consent to this coverage. Without this consent, we may not authorize and pay an ATM or one-time debit card transaction which will result in insufficient available funds in your account. In these instances, the transaction may be rejected by Members Exchange and you will be charged an NSF fee, also described in our Fee Schedule.

The following is important information regarding your account balance, how transactions are posted to your account, and when an overdraft fee will be charged. You should read this information carefully. If you have any questions, please see a Personal Service Representative, or contact us at 800-748-9459.

### **Your Checking Account Balance**

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, by mobile application, by phone, or by contacting the credit union. 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.

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 leaving an available balance of \$10.

Your **AVAILABLE** balance is the amount of money in your account that is available to you to use without incurring an OOPS!™ overdraft fee. The available balance takes into account things like holds placed on deposits and pending transactions (such as pending debit card purchases) that Members Exchange 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 lunch for \$20, then that merchant could ask Members Exchange to pre-authorize the payment. In that case, we will put a “hold” on your account for \$20. Your actual balance would still be \$50 because their transaction has not yet posted, but your available balance would be \$30 because you have committed to pay the restaurant \$20. When the restaurant submits the 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 to \$20.

Another example: If your actual and available balances are both \$100 and you use your debit card at a restaurant for \$35, a hold is placed on your account and your available balance will be reduced to \$65. Your actual balance is still \$100 because the transaction has not yet posted to your account. If a check that you had previously written for \$75 is presented for payment before the restaurant charge is sent to us for processing, you will incur an overdraft fee. This is because your available balance was \$65 when the \$75 check was paid. In this case, we may pay the \$75 check and charge you an overdraft fee. The overdraft fee will also be deducted from your account, further reducing your balance.

Available balance is the balance used to determine when your account is overdrawn. 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.

## How Transactions Are Posted to Your Account

There are basically two kinds of transactions in your account: credits or deposits of money into your account and debits or payments that come 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. The information below describes how we handle credits and debits to your account and the resulting impact on your available balance.

**Credits** – Most deposits are added to your account when we receive them. For some checks you deposit, only \$200 will be made available at the time of deposit and the remaining funds will be available two (2) business days later. There may be extended holds on checks. In this case, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, please see the “Funds Availability Policy”.

**Debits** – There are several types of debit transactions. Common debit transactions are described 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 a merchant and Members Exchange 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 each day. The checks drawn on your account are compiled from these data files and then posted to the checking account. We process checks in check number order – lowest to highest.

**ACH Payments.** We receive data files every day that consist of Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. Each day, ACH transactions for your account are presented first to post credits and then debits are paid, by dollar amount, lowest to highest.

**Point of Sale (POS) Debit Card Transactions.** These are transactions where you use your debit card and you enter your four-digit 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 may not be presented for payment immediately; it depends on the merchant. POS items are paid in the order in which they are received.

Signature Debit Card Transactions. These are transactions where you make a purchase with your debit card and you do not enter a PIN but you are instead asked to sign for the purchase. As described previously, in these situations, the merchant sends us the amount, usually the purchase total, for authorization. This amount is placed on hold and removed from your available balance immediately. The hold is released after approximately 72 hours or when the transaction clears, whichever comes first. The hold helps determine the available balance on your account.

*PLEASE BE AWARE – 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, pay at the pump gas stations, 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 that you 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 deposits and withdrawal transactions on your account in many different forms throughout each business day. This means you may be charged more than one \$34 overdraft 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 fees is to record and track all of your transactions closely.

IF YOU DO NOT UNDERSTAND OR HAVE ANY QUESTIONS, PLEASE CONTACT US AT 800-748-9459 Monday through Friday from 9:00 a.m to 5:30 p.m. Central Time.