

## OVERDRAFT COVERAGE OPTIONS: OVERDRAFT PRIVILEGE AND OVERDRAFT PROTECTION

Life happens! Leominster 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 Leominster Credit Union <sup>1</sup>	\$5 fee per transfer
Overdraft Protection Line of Credit <sup>1, 2</sup>	Subject to fees + interest
Overdraft Privilege	\$30 Overdraft Fee per item.

<sup>1</sup>Call us at (800) 649-4646, email us at ODPadmin@leominstercu.com, or come by a branch to sign up or apply for these services; <sup>2</sup>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 Leominster 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. Even if you have overdraft protection, Overdraft Privilege is still available as secondary coverage if the other protection source is exhausted.

Transactions Covered with Overdraft Privilege	Standard Coverage (No action required)	Extended Coverage (Your consent required on consumer accounts)*	<b>If you would like to select Extended Coverage for future transactions:</b> <ul style="list-style-type: none"> <li>• call us at <b>(800) 649-4646</b>,</li> <li>• complete the online consent form found at <a href="http://www.leominstercu.com">www.leominstercu.com</a>,</li> <li>• visit any branch,</li> <li>• complete a consent form and mail it to us at 20 Adams St, Leominster, MA 01453, or</li> <li>• e-mail us at <a href="mailto:ODPadmin@leominstercu.com">ODPadmin@leominstercu.com</a></li> </ul>
Checks	X	X	
ACH - Automatic 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 on your consumer account, **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 contacting us at (800) 649-4646 or sending us an e-mail at ODPadmin@leominstercu.com.

## 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. 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 is charged if a check is returned as unpaid. If multiple items overdraw your account on the same day, each item will be assessed an appropriate Overdraft Fee or an Insufficient Fund 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 and business accounts, there is a limit of 6 Overdraft Fees (\$180) per day we will charge.
- We generally post items in the following order: 1) deposits (credits), 2) withdrawals (debits), in the order in which they are received by the Credit Union on the day they are processed, regardless of type of deposit or withdrawal and dollar amount. Holds on funds (described below) and the order in which transactions are posted may impact the total amount of Overdraft Fees or Insufficient Funds assessed.
- Although under payment system rules, Leominster Credit Union may be obligated to pay some unauthorized debit card transactions, Leominster 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 on your consumer account 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.
- Leominster Credit Union authorizes and pays transactions using the available balance in your account. The available balance is comprised of the ledger balance (collected funds) less any debit card holds, and does not include any deposited funds on hold. Leominster Credit Union may place a hold on deposited funds in accordance with our Important Account Information for Our Members. If the funds in the available balance are not sufficient to cover a transaction, any available overdraft protection and/or the amount of the Overdraft Privilege limit, may be used to authorize and pay a transaction
- Leominster 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. When the hold ends the funds will be added to the available balance in your account. If your account is overdrawn after the held funds are added to the available balance and the transaction is posted to the available balance, an Overdraft Fee may be assessed.
- Except as described in this letter, Leominster 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.
- An Overdraft Privilege limit up to \$1,000 is available for eligible Personal Checking accounts based on account type and \$1,500 Business Checking accounts at account opening.
- 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 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 Important Account Information for Our Members. 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 (800) 649-4646 or visit a branch.



## Consent Form for Overdraft Services

### 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 Leominster 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 a limit of \$180 per day on the total fees we can charge you for overdrawing your account

➤ **What if I want Leominster 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 (800) 649-4646, visit our website at [www.leominstercu.com](http://www.leominstercu.com), complete the form below and present it at a branch or mail it to: 20 Adams St, Leominster, MA 01453. You can revoke your authorization for Leominster 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.

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

\_\_\_\_\_ I want Leominster Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Account Number: \_\_\_\_\_