

# Your Responsibilities for Insufficient Funds and Overdrafts



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## Please assure *your available balance of funds* meets all your payment & withdrawal needs!

To assist you in understanding your responsibility to assure there are **sufficient funds to pay all your obligations** on the accounts you have with us, we have summarized your “*available balance*,” your “*actual balance*,” “the order we pay checks and EFTs,” “insufficient funds” and “our overdraft services” below. These five critical issues are addressed in Provision 6 of the Member Service Agreement (MSA) Part 2. It is very important you are aware of these five (5) matters to manage your payments and withdrawals from the account(s) with us. Maintaining sufficient funds in the account(s) with us (i.e., having a sufficient *available balance*) at all times will help you avoid checks, EFTs and other debit transactions being returned unpaid and service charges for insufficient funds (*also called non-sufficient funds or NSF*) and overdrafts. Should you have questions about any of these important matters or need to access the MSA Part 2, please contact us by calling or coming into a branch. You may also access a current version of the MSA Part 2 through our Online and Mobile Banking services. We thank you for your attention to this important information, and look forward to serving you!

## The overdraft services we provide help members avoid the negative consequences of insufficient funds!

### Your Available Balance & Actual Balance in Accounts with Us

The checks you write and the electronic fund transfers (EFTs) you authorize are paid based on the *available balance* of funds in the checking account you have with us, and not on the *actual balance* of funds in that account. Your *actual balance* is the total amount of funds in an account with us based on the deposits and withdrawals you have made to the account at that time. However, not all of your *actual balance* may be available for your use. We refer to the funds in the account that are immediately available for your use as your “*available balance*.” Your *available balance* is generally equal to the *actual balance*, **less the amount of funds held** for your 1) recent deposits, 2) pending transactions such as debit card purchases or outstanding payments, or 3) other reasons. If your check, EFT or other debit transaction is for an amount larger than your *available balance*, we will treat it as presented against insufficient funds and may not pay it even if your *actual balance* exceeds the amount of the check, EFT or other debit transaction. Again, **not all of the actual balance is available for payment** because some or the entire amount of funds in the account may be held or committed to pay your outstanding purchases or payments, or may be held for other reasons. Please see Provision 6.i. of the MSA Part 2 for further information. Remember, you can review your *available balance* anytime through online and/or mobile banking, at an ATM, or by calling us any time we are open.

### The Order Checks, EFTs & Other Debits Transactions are Paid

In general, we pay the checks you write and EFTs you authorize in the order they are presented to us for payment, regardless of when you issued or authorized them. Your checks and EFT debits presented in data files are paid when we process the data file. Your checks in the same data file are processed in the order explained in Provision 6.j. of the MSA Part 2, whereas checks presented at our branch are processed at the time of payment. Your debit card transactions (EFTs) are processed when transmitted to us by your merchant or its processor, which may be immediately or days later. You understand your merchant or its processor determines when your transaction is transmitted to us; we do not make that decision. When you authorize your debit card purchase with a merchant, we may place a temporary hold on your funds in the account for the amount specified by the merchant. Often with restaurant, gas station, hotel, car rental and certain other transactions, the hold on funds may be for the initial amount specified by the merchant but the transaction is ultimately submitted in a different amount. You should be certain there are sufficient funds in the *available balance* in an account with us at all times to pay your checks or EFTs or they will be handled according to the insufficient funds and overdraft terms of the MSA. Please see Provision 6.j. of the MSA Part 2 for further information.

### Insufficient Funds to Pay Checks, EFTs & Debit Transactions

If the *available balance* of funds in a checking account with us is not sufficient to pay a check, EFT or other debit transaction on the account, we may return it for insufficient funds and require a service charge to cover the cost of the return. Insufficient funds to pay checks and EFTs (and other debits) may result from 1) your checks we pay, 2) holds on funds of checks you deposit, 3) your online bill payments (EFT debits), 4) payments you authorize or your withdrawal requests, 5) your depos-

ited checks returned unpaid, and 6) charges for services you request or incur. You understand it is your responsibility to assure the *available balance* in an account with us is sufficient to pay all your checks and EFTs. You also understand we have no duty to notify you if the *available balance* in an account is insufficient to pay your checks and EFTs. We may also pay a check or EFT drawn on an account with insufficient funds and require a service charge (though if we pay a check or EFT drawn on an account with insufficient funds, it does not mean we will make such a payment in the future). *If we return an item for insufficient funds, the payee (or the payee's institution) may re-present it. Each presentment against insufficient funds will result in a separate service charge.* Finally, if we are repeatedly returning checks, EFTs or other debit transactions for insufficient funds, we may consider that account abuse and terminate the account you have with us. Please see Provision 6.k. of the MSA Part 2 for further information.

### The Overdraft Protection Plans We Offer

If you qualify for one of our overdraft protection plans, we may pay your checks or EFTs drawn against an insufficient *available balance* of a checking account by transferring funds from another account (Balance Plus Transfer) or loan (Balance Plus Line of Credit) you have with us to the checking account. Transfers from other account(s) to a checking account are addressed in Provision 6.l.1) of the MSA Part 2, whereas transfers from a loan to a checking account are governed by a separate loan agreement. You understand we may apply funds deposited to the account(s) you have with us to your outstanding overdrafts and service charges, regardless of the source of the deposit, including directly deposited government entitlements or benefits such as Social Security deposits. Please see Provision 6.l.1) of the MSA Part 2 for further information.

### The Courtesy Pay Services We Offer

If the *available balance* in an active checking account with us is insufficient to pay a check and you are in good standing, you may use our Courtesy Pay service to have us pay the check(s) up to a set limit as explained in Provision 6.l.2) of the MSA Part 2. To be in good standing requires you to be at least eighteen (18) years of age, to not have caused us a loss and to meet other requirements addressed in this same Provision of the Part 2. If you meet the criteria, we may pay your check overdrafts up to a set limit for a service charge for each overdraft on the account. Additionally, you must also notify us and opt in for Courtesy Pay to apply to EFTs at ATMs and from non-recurring debit card transactions. If you use this service, we will notify you of the amount paid. If the account is overdrawn more than \$10.00 on any given day, we will assess a service charge for each overdraft transaction. You will have thirty-two (32) calendar days to reimburse us for paid checks, EFTs and service charges, and you must maintain a positive balance for at least one business day or your overdraft limit may be reduced. Please be aware if we are presented with checks or EFTs that exceed the amount allowed by our service they may be returned for insufficient funds and we will require a service charge. Also be aware that if we are repeatedly presented with checks or EFTs that exceed the amount allowed by our service and are returned for insufficient funds, we may consider that account abuse and terminate the account you have with us. Please see Provision 6.k. of the MSA Part 2 for further information.

## Questions? Contact us anytime we're open for business!

**Leaders Credit Union understands that unexpected overdrafts occur from time to time.  
Our Overdraft Services can help.**

**The Overdraft Services We Offer**

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

SERVICE	COST
Balance Plus Transfer	No service charge per transfer
Balance Plus Line of Credit	Subject to finance charge
Courtesy Pay Standard or Extended Coverage	\$28 Courtesy Pay Service Charge per item presented

**Balance Plus Transfer** applies to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account you have with us. To sign up for this service, call us at 731.664.1784, email us at support@leaderscu.com, or come by a branch. Please see Provision 6.I.1) of the MSA Part 2 for further information.

**Balance Plus Line of Credit** applies to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from a line of credit you have with us. Please note that overdraft lines of credit are subject to a finance charge and credit approval. To sign up for this service, call us at 731.664.1784, email us at support@leaderscu.com, or come by a branch. Please see Provision 6.I.1) of the MSA Part 2 for further information.

**Courtesy Pay** allows you to overdraw your account up to the disclosed limit. If the account is overdrawn more than \$10.00 on any given day, we will assess a service charge for each overdraft transaction. Only two checking accounts per member are eligible. You will have thirty-two (32) calendar days to reimburse us for paid checks, EFTs and service charges, and you must maintain a positive balance for at least one business day or your overdraft limit may be reduced. Even if you have Balance Plus, Courtesy Pay is still available as secondary coverage if the other protection source is exhausted. Please see Provision 6.I.2) of the MSA Part 2 for further information.

Transactions Covered with Courtesy Pay	Standard Coverage (No action required)	Extended Coverage (Your consent required on consumer accounts)**
Checks	✓	✓
ACH - Automatic Debits	✓	✓
Recurring Debit Card Transactions	✓	✓
Online Bill Pay Items	✓	✓
Teller Window Transactions	✓	✓
ATM Transactions		✓**
Everyday Debit Card Transactions		✓**

**You may opt in or opt out of Extended Coverage by any of the methods below:**

- call us at 731.664.1784
- complete the online consent form found at leaderscu.com/overdraft-services
- visit any branch
- complete a consent form and mail it to us at PO Box 10008, Jackson, TN 38308
- email us at support@leaderscu.com

**\*\*If you choose or have already chosen Extended Coverage, ATM transactions and everyday debit card transactions will be included with the transactions listed under Standard Coverage.**

Any eligible checking account will receive a Courtesy Pay limit of \$100 for the transactions under the coverage you selected (Standard or Extended). If you maintain the account in good standing for thirty (30) days, Courtesy Pay limits will increase as follows: Champion Up Checking - \$250; Champion Free Checking and Champion Rewards Checking - \$750. For Champion Free Checking and Champion Rewards Checking, if your account has \$1,000 or more in monthly aggregate deposits and is open for more than a year, the limit will increase to \$1,000.

If you want to discontinue Courtesy Pay in its entirety, call us at 731.664.1784 or email us at support@leaderscu.com.

**Questions? Contact us anytime we're open for business!**