

How Overdraft Pay Protection Works

When you write a check, use your debit card for recurring payments, or make an automatic bill payment or other electronic payment for more than the amount in your checking account, you overdraw your account, meaning you spent more than was available. SFCU has the choice to either pay the amount or not. We may honor items that overdraw an account up to a maximum of \$750.00, including fees at any given time. If we pay the amount, your account will be charged an “overdraft” fee.

Overdraft Pay Protection also covers one-time everyday debit card transactions and ATM transactions as an added level of protection for your checking account. This “just in case” service helps to prevent the embarrassment of being denied at the cash register.

If you have items paid through Overdraft Pay Protection, you will have 15 days to reimburse the credit union for the amounts processed through the program. To maintain your Overdraft Pay Protection status, your reimbursements must be paid within 15 days.

How Much Does the Overdraft Pay Protection Cost?

There is no program enrollment fee or monthly fee, and you will not be assessed any fees if you don’t use the program. However, there is a \$25.00 fee each time we pay an overdraft. There is no limit on the total fees we can charge you. In addition, SFCU does not guarantee that your transactions will be paid.

How Can you Avoid Overdraft and Bounced-Check Fees?



Keep track of how much money you have in your checking account by keeping your check register up-to-date. Remember that some checks and automatic payments may not have cleared yet. Pay special attention to your electronic transactions. Record your ATM withdrawals and fees, debit card purchases, and online payments. Don’t forget about automatic bill payments you may have set up

for utilities, insurance, or loan payments.

Review your account statements each month. Good account management is the lowest-cost way to protect your hard-earned money.

Use your telephone to access our telephone banking (audio response system) or use your home computer or a smart phone to log on to our home banking website at www.schofieldfcu.org to check your current balance 24/7. You can also set up e-Alerts through home banking to notify you via an email or text message when your account reaches a low balance.

If you do overdraw your account, deposit money into your account as soon as possible to cover the overdraft amount plus any fees. Depositing money into your account can help you avoid additional overdrafts and fees.

Who is Eligible for Overdraft Pay Protection?

Qualification for this member Protection is for personal share draft accounts only based on a number of factors, such as:

- Primary account holder is 18 years of age or older.
- Share draft accounts must be greater than 30 days old.
- Minimum monthly payroll deposit received of \$750.00.
- There are no legal orders of levies against the account.
- No pending bankruptcies or financial counseling arrangements.
- Mailing address record and phone numbers are current.
- Loan accounts with the credit union are current.

What You Need to do to Request Overdraft Pay Protection?

If you meet our eligibility requirements and would like to add our Overdraft Pay Protection program as an additional overdraft service, please designate your intentions by completing the Overdraft Pay Protection Consent Form. The Consent Form can be obtained at our branch or online at www.schofieldfcu.org under the Member Resources tab, Applications and Forms page. We evaluate member eligibility status on a continuous basis, so if you do not qualify now, you can take the necessary actions to qualify in the future. If you are not interested in our Overdraft Pay Protection program, no action is necessary.

In this Overdraft Pay Protection Disclosure (“Disclosure”), the words “you”, “your”, and “yours” mean each and all of those who use the Overdraft Pay Protection service described below. The words “we”, “us”, and “our” mean Schofield Federal Credit Union. The word “overdraft” includes a negative balance in your share draft account that may occur for various reasons, including, but not limited to: (1) the payment of checks or other withdrawal requests authorized by you including, but not limited to, ATM transactions, Point of Sale transactions, and preauthorized transfers for which funds are insufficient; (2) the return (unpaid) of items deposited by you; (3) the imposition of service charges by us; or (4) the deposit of items which are treated as not yet “available” according to our funds availability Policy. *To allow an overdraft to be created on an ATM or Point of Sale transaction, you must have given us your authorization to “opt-in” to process the transaction either at account opening or when the initial card is requested.*

The Membership and Account Agreement, Electronic Funds Transfers Agreement and Truth in Savings Disclosures which was provided to you at the time you opened your account with us, controls the duties, obligations and rights of the Depositor, the authorized Signatories and Schofield Federal Credit Union with regard to your share draft account. The Membership and Account Agreement, Electronic Funds Transfers Agreement and Truth in Savings Disclosures, and all amendments thereto, shall control any possible conflict between any provision of this Overdraft Pay Protection Disclosure and the Membership and Account Agreement, Electronic Funds Transfers Agreement and Truth in Savings Disclosures.

Pursuant to our commitment to provide valued service and benefits, we may pay checks or other items/transactions (“Items”), which would cause your share draft account to have a negative (or further negative) balance (herein “overdraft”), pursuant to the terms and conditions of this Disclosure.

The Overdraft Pay Protection service is not a credit product and requires no application or credit approval process. The service will be limited to one service per member. The service is for personal share draft accounts only. Must meet the following qualifications:

- Primary account holder is 18 years of age or older.
- Share draft accounts must be greater than 30 days old.
- Minimum monthly payroll deposit received of \$750.00.
- There are no legal orders of levies against the account.
- No pending bankruptcies or financial counseling arrangements.
- Mailing address record and phone numbers are current.
- Loan accounts with the credit union are current.

ANY SUCH PAYMENT WILL BE MADE ON A CASE BY CASE BASIS, AT OUR SOLE AND ABSOLUTE DISCRETION. Accounts must receive monthly electronic direct deposits of at least \$750.00. We shall not pay any item if your negative share draft account balance is, or if we were to make payment pursuant to the terms and conditions of this Disclosure would become, greater than Seven Hundred Fifty Dollars (\$750.00) plus any applicable fees. You will be notified of any non-sufficient funds item that have been paid or returned; however, you understand that we have no obligation to notify you before we pay or return any item. **We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts.**

For any overdrafts created, you promise to pay us upon demand all sums, including the fees and charges for this service, advanced to you or any other person you permit to use your share draft account and/or who causes an overdraft on your share draft account.

A Overdraft Pay Protection fee will be charged to your share draft account, in accordance with our Truth in Savings Fee Schedule, for each overdraft item that is cleared on your shared draft account. This transaction charge is the same fee charged by us for each “non-sufficient funds” (NSF) item presented for payment and returned unpaid on a share draft account.

You will be in default under the terms of this Disclosure if you fail to live up to any of the terms and conditions of this Disclosure or you are in default on any loan obligation with us and/or a negative balance default exists in any other

deposit account with us on which you are an owner. If you are in default, we may temporarily suspend Overdraft Pay Protection or terminate the Overdraft Pay Protection service or close your share draft account and demand immediate payment of the entire unpaid negative balance. You also agree to pay any collection cost, attorneys’ fees, and court costs, which we or you shall or may incur as a result of your default.

We may modify, terminate or suspend the Overdraft Pay Protection service at any time without prior notice, and we reserve the right to limit Overdraft Pay Protection service to one (1) account per household or member without notice of reason or cause. In no event shall any termination relieve you of your obligation to repay such sums already overdrafted, overdraft fees, collection costs, attorneys’ fees, if any. We can delay enforcing any of our rights under this Disclosure without losing them. If you would like to have Overdraft Pay Protection, please contact us at (808)624-9884.

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Schofield Federal Credit Union
PO Box 860669
Wahiawa, HI 96786
PH: (808)624-9884 Fax (808)624-7774
www.schofieldfcu.org

OVERDRAFT PAY PROTECTION DISCLOSURE



Insufficient Funds Can Happen to Anyone

In the course of a busy life, there are occasional mistakes and oversights. We understand. We’re all human. Unfortunately, a simple error in your check register, an unlogged transaction, or a delayed deposit can create additional costs for you. If Schofield FCU (SFCU) returns your check without paying it, we may charge you a “bounced check,” or “nonsufficient funds” fee. The person you wrote the check to – for example, a store, your landlord, or the phone company – may charge you a “returned-check” fee in addition to the fee SFCU charges you. Those additional merchant and creditor returned item fees for unprocessed payments can really add up.

Protecting Yourself from Merchant Returned Item Fees

SFCU offers a new Overdraft Pay Protection program to qualified members to protect your checks from being returned. Our Overdraft Pay Protection program establishes a safety net for your checking account, enabling us to process your items at our discretion on those infrequent occasions when doing so may create a negative available account balance. With this program you’ll still pay an overdraft fee to SFCU for each item, but you will avoid the merchant’s “returned-check” fees and will stay in good standing with the people you do business with.