



**SCHOFIELD
FEDERAL CREDIT UNION**
PO Box 860669
Wahiawa, HI 96786

Overdraft Services Protection Disclosure



In this Overdraft Pay Protection Disclosure, the words “you”, “your”, and “yours” mean those who sign the Overdraft Pay Protection Consent Form as applicant, joint owners, or any authorized users. The words “we”, “us”, “our”, and “Credit Union” mean Schofield Federal Credit Union.

What is an Overdraft?

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway.

Protecting Yourself from Returned Item Fees

The Credit Union’s overdraft pay protection program is offered to qualified members as an additional safety net for your share draft account, enabling us to process your items at our discretion. You will still pay an overdraft fee to the Credit Union for each item paid, but you could avoid additional fees assessed by merchants.

Overdraft Transfer (Standard Service)

Overdraft transfer service is a transfer of funds from a linked account used to cover your share draft account transaction(s) automatically. Funds transferred from your linked account will be for the difference of your total transaction amount. This is a standard service already included with your membership.

Overdraft Protection (Optional)

Overdraft Protection covers ATM and one-time everyday debit card transactions that may draw your account to a negative balance. This optional overdraft protection requires your consent. Without your consent, **we will** decline all transactions that exceed your available balance. If you opt-in for overdraft protection and we pay your overdraft item you will be charged an overdraft protection fee per item (see Schedule of Fees). There is no enrollment or monthly fee for this option. You can cancel this request at any time.

Courtesy Pay (Optional)

Courtesy Pay is an additional protection that cover checks, automatic bill payment, recurring debit card and ACH transactions up to a maximum limit of \$500.00 including fees. If we accept and pay an overdraft, you will be charged a courtesy pay fee (see Schedule of Fees). There are no limit per day on the total fees we can charge you. If an overdraft is paid through courtesy pay, you will have 15 days to bring your account current, failure to do so may result in courtesy pay privilege being revoked.

If we do not accept and pay an overdraft, your transaction will be declined and you may be charged a non-sufficient funds fee per transaction (see Schedule of Fees). Schofield Federal Credit Union may accept and pay overdraft transactions at our discretion and do not guarantee that all transactions will be paid.

Eligibility for Courtesy Pay Protection

Courtesy pay protection is for personal share draft accounts only. Qualifications are:

- Account information must be current.
- Primary account holder must be 18 years of age or older.
- Share draft account must be active for more than 30 days.
- Minimum direct deposit or monthly allotment must be equivalent to \$500.00 per payday.
- No legal orders of levies against the account.
- No pending bankruptcies or financial counseling arrangements.
- All accounts must be current.

The Courtesy Pay Service is not a credit product and requires no application or credit approval process.

Any such payment will be made on a case-by-case basis, at our sole and absolute discretion. 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 Five Hundred Dollars (\$500.00) 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 Courtesy Pay Service fee will be charged to your share draft account, in accordance with our Truth in Savings Fee Schedule, for each paid overdraft item that cleared on your share 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 or terminate Courtesy Pay Service or close your share draft account and demand immediate payment of the entire negative balance. You also agree to pay any collection cost, attorneys' fees, and court cost, which we or you shall or may incur as a result of your default.

We may modify, suspend or terminate the Courtesy Pay Service at any time without prior notice, and we reserve the right to limit the Courtesy Pay Service to one (1) account per household or member without notice of reason or cause. In no event shall any suspension or termination relieve you of your obligation to repay the entire negative balance, overdraft fees, collection and attorneys' fees if any. We can delay enforcing any of our rights under this Disclosure, The Membership and Account Agreement, Electronic Fund Transfers Agreement and Disclosure, and Truth in Savings Disclosures without losing them.

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

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.

How to Avoid Overdraft and Negative Balances

- Monitor how much money you have in your checking account.
- Keep your check register up-to-date.
- Pay special attention to electronic transactions.
- Record all ATM, ATM fees withdrawals, debit card and online purchases.
- Don't forget about automatic bill payments, such as: utilities, automobile insurance, loan payments, etc.
- Review your monthly Statements each month.
- Use our Audio Response or online services to assist you with managing your check register 24/7.

-Audio Response phone (808) 624-9883

-Online banking www.schofieldfcu.org

- o Sign up for e-Alerts to receive notification of account transactions via email or text message.

How to Enroll

If you meet the eligibility requirements, you can obtain an Overdraft Service Consent Form at our branch, or online at www.schofieldfcu.org under the Member Resources tab, click on Applications then Forms. 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.

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