



Using Overdraft Protection Responsibly

Overdraft protection occurs when you don't have enough money in your checking account to cover a transaction, but your financial institution pays it for you anyway. Overdraft Advantage is our overdraft protection service, and it's important to know what exactly it covers and how to use it responsibly.

What Does Overdraft Advantage Cover? When your ECU checking account is opened, Overdraft Advantage is automatically activated for checks, ACH debits and payments, and automatic bill payments. If your checking account is overdrawn by any of these items, Overdraft Advantage may pay them for you up to a limit of \$500.00, at our discretion.

Overdraft Advantage also covers ATM and one-time debit card transactions, but you are **required to opt-in** for these items to be paid. Once you are opted-in, Overdraft Advantage may pay them for you up to a limit of \$500.00, at our discretion.

In either case, the \$500.00 limit includes a \$35.00 fee for each transaction that we pay for you. While there is a fee for Overdraft Advantage to pay your overdrawn transactions, you will not have to pay additional fees to the payee for a returned item. Overdraft Advantage allows a maximum of 30 days to pay back the overdrawn balance in your checking account.*

Overdraft Fee vs. Non-Sufficient Funds (NSF) Fee. An overdraft fee is assessed when your account is overdrawn and Overdraft Advantage pays a transaction for you. Sometimes called "Courtesy Pay," it can be thought of as a fee for the courtesy of having us cover your transaction. An NSF fee is assessed when your account is overdrawn, and the item is returned unpaid because of it.

Think of it this way - Financial institutions charge overdraft fees when they accept and pay transactions that overdraw a checking account, and financial institutions charge NSF fees when they return items unpaid.

Benefits of Overdraft Advantage. Overdraft Advantage can provide the funds needed for emergencies, like car trouble or medicine for your family. Without Overdraft Advantage, your payment will be rejected or returned because the funds are not available, and you'll likely have to pay an NSF fee on top of it. Furthermore, returned items and bounced checks could end up affecting your ChexSystems report, and may even damage your credit.

Things to Consider. Unfortunately, Overdraft Advantage fees can add up quickly. You will be assessed a separate fee for every transaction that overdraws your account, until you've hit the \$500 limit. Note that NSF fees may still be assessed as applicable, once the Overdraft Advantage limit is reached.

Some members use Overdraft Advantage to “borrow money” when they are low on funds, which is **not the intention of this service**. Be aware that use in this manner can have a long-term negative impact on your finances. For example, if your negative balance becomes too great, you may not be able to bring your checking account back to a positive status for long enough to correct the issue. The cycle will repeat itself until you can no longer afford to repay the negative balance, the checking account is closed, and your other credit union services are denied. Do you really want to turn that \$5 foot-long sub into a \$40 foot-long sub?

Use Overdraft Advantage Responsibly. Overdraft Advantage can ensure that your checking account transactions are covered, but it’s important to keep track of your balances regularly. Consider setting up a low balance mobile alert (within our mobile app or online banking), which will notify you when your account is in danger of being overdrawn.

We will also link your checking account to the associated share savings account on the same member number. This will allow you to “borrow your own money” by automatically transferring the needed funds, instead of having us cover the transactions that may overdraw your checking account. There is no fee assessed for these transfers, but they are subject to Regulation D limitations.

What If You Overdraft? Don’t worry, it’s nothing to be embarrassed about! Just be sure to make a checking account deposit as soon as possible. The amount you deposit must be enough to cover the transaction amount, plus any fees. If you’re a good member and this is your first offense, consider reaching out to us and explaining your situation. Mistakes happen, and the objective is not making a habit of overdrawing your account.

**Any account overdrawn beyond a period of 45 days may be closed. Emerald Credit Union reserves the right to either honor an overdraft or return the item for non-sufficient funds, even though we may have previously paid overdrafts before. Contact a Financial Service Representative for additional information.*