

Cinfed Credit Union

Overdraft Protection Program Policy

Created 7/1/2014

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Board Approved 10/2019

This product allows checks and other items that would overdraw savings and checking accounts to be paid, for a fee, rather than returned for non-sufficient funds. This program is separate from traditional overdraft lines of credit that are linked to loan limits. Members do not have to participate in this program and may opt out at any time. Overdrafts may occur on Regular Savings (Suffix 00) and checking accounts (Suffix 05) ONLY.

As a courtesy, members may be notified by mail of any non-sufficient funds items paid or returned that they may have. However, we have no obligation to notify members before we pay or return any item. The amount of any overdrafts plus our Non-Sufficient Funds and/or Overdraft Charge(s) that they owe us may be payable on demand.

Definition of Overdraft: An overdraft occurrence is defined as any item presented for payment against an account which results in a negative available balance.

Fees (See separate fee schedule)

The following are the conditions on which a fee may be imposed. The fee applies to overdrafts created by check, in person withdrawal, ATM withdrawal, or check card transaction, Electronic Funds Transfer or other electronic means as applicable. No interest rate of any kind will be charged.

Members who do NOT have an income based direct deposit:

Maximum overdraft allowed \$200. Items overdrawing the account by LESS than \$200 will be paid (with a fee). Items overdrawing the account by \$200 or MORE will be returned (with a fee).

Members who HAVE an income based direct deposit:

Maximum overdraft allowed will be 50% of eligible direct deposits (up to \$1000) made within a 35 day period. Items overdrawing the account by less than 50% of eligible direct deposits WILL be paid (with a fee). Items overdrawing the account by 50% of eligible direct deposits or MORE will be returned (with a fee).

Once the account reaches an overdrawn status, funds must be deposited to clear up the negative status within 30 days to avoid collection proceedings. If not cleared up within 45 days the account may be closed. There is no limit to the number of items that may overdraw the account. Multiple fees will be charged if multiple overdrafts occur on the same day.

LIMITATIONS

The Overdraft Protection Service does not constitute an actual or implied agreement between the member and the credit union. Nor does it constitute an actual or implied obligation of or by the credit union. This service represents a purely discretionary courtesy or privilege. Cinfed may refuse to pay an overdraft for a member at any time, even though their account is in good standing and even though we may have previously paid overdrafts for them. Cinfed may discontinue the service entirely without notification to the member at any time. Cinfed does not have to disclose reason or cause for ending the service. Cinfed may limit the number of accounts eligible for this service to one account per household at any time without notification. Accounts with delinquent loan or credit card balances may be withdrawn from the service. The transaction causing the account to be overdrawn is the responsibility of both the primary and joint member and both shall be jointly liable for such overdrafts plus any fees involved.