



220 Donald Lynch Blvd • PO Box 9130 • Marlborough, MA 01752-9130
508.263.6700 • 800.328.8797 • dcu.org • dcu@dcu.org

Overdraft Payment Services Disclosure (What You Need to Know About Overdrafts and Overdraft Fees)

Please review carefully and save a copy for your records.

An overdraft occurs when you do not have enough money (as described in Section 4 of this Disclosure) in your checking account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

- We have standard overdraft practices that come with your DCU Checking Account if you opt-in and are approved. We call this our Overdraft Payment Service. The Overdraft Payment Service is meant to cover unintentional overdrafts and emergencies. This is not a line of credit and any resulting overdrawn balance must be promptly repaid.
- We also offer overdraft protection plans, such as a link to a Primary Savings Account or to a Line of Credit (if you apply and are approved), which may be less expensive than our Overdraft Payment Service. To learn more, ask us about these plans by contacting us at 800.328.8797 or visiting any of our branch locations.

The following explains our Overdraft Payment Service.

1. What comes with DCU's Overdraft Payment Service if you opt-in and are approved?

DCU offers two different types of coverage based on the option you select when you opt-in.

- If you opt-in to and are approved for **Basic Overdraft Payment Service**, we do authorize and pay overdrafts for the following transactions:
 - Checks and other transactions made using your checking account number
 - Automatic bill payments and other pre-authorized transactions

We do not authorize or pay overdrafts for the following transactions:

- Everyday debit card transactions (non-PIN)
- ATM transactions
- Everyday debit card transactions (processed through the PIN network)

- If you opt-in to and are approved for **Full Overdraft Payment Service**, we do authorize and pay overdrafts for the following transactions:
 - Checks and other transactions made using your checking account number
 - Automatic bill payments and other pre-authorized transactions
 - Everyday debit card transactions (non-PIN)

We do not authorize or pay overdrafts for the following transactions:

- ATM transactions
- Everyday debit card transactions (processed through the PIN network)

We authorize and pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined.

2. What fees will you be charged if DCU pays your overdraft?

Under our Overdraft Payment Service:

- We will charge you a fee of **\$30** each time we pay an overdraft, up to a maximum of \$60 in paid

transaction overdraft fees per day per checking account.

- We may authorize and pay transactions that overdraw your account up to \$1500 at any one time. If the overdrawn amount PLUS the applicable fee would result in an overdrawn balance of greater than \$1500, the transaction will not be authorized/paid*.

The paid transaction overdraft fee is the same amount that you would be charged if the transaction were returned. Please refer to [DCU's Schedule of Fees and Service Charges](#) for information on overdraft, returned transaction, and other fees.

* This does not include debit card transactions previously authorized which DCU must honor.

3. How to Opt-In or Opt-Out of DCU's Overdraft Payment Service

You may opt-in or opt-out of DCU's Overdraft Payment Service anytime by:

- Logging into online banking: select Account Manager, Manage Accounts, and then Overdraft Payment Service under Services;
- Contacting our Information Center at 800.328.8797.
- Stopping by any branch location; or
- Letting us know in writing by providing your name, member number, signature and date, and the option you've chosen:
 - Basic Overdraft Payment Service
 - Full Overdraft Payment Service
 - No Overdraft Payment Service

4. Understanding Your DCU Checking Account Balance and When a Transaction May Result in an Overdraft

DCU uses your "available" account balance when determining whether a transaction overdraws your account.

Your DCU checking account has two types of balances: the "current" balance and the "available" balance. You generally have access to both balances when reviewing your account online, at an ATM, by phone, or at a branch; however, the available balance will only reflect transactions that have been authorized or posted to your account. This means that the available balance that you can review in your account will not necessarily reflect a check that you have written or electronic withdrawal that you have authorized, but which has not yet posted to your account. This makes it important for you to keep track of all transactions that you authorize, but which have not yet posted to your account.

The information below explains the differences between your current account balance and your available account balance and how an overdraft may occur when you do not have the necessary available balance in your account to cover transactions you have made.

- Your Current Account Balance
 - Your current balance is the amount of money that is actually in your account at any given time. Your current balance reflects transactions that have "posted" to your account, including deposit transactions which may be subject to a hold. The current balance does not include other transactions that you have initiated but which have not yet reached your account such as debit card purchases that have been authorized and are pending or checks you have written that have not yet cleared. **You should not rely on the current balance when determining how much money you can spend without incurring an overdraft.**
 - Examples of Current Balance
 - You have a \$100 current balance and you write a check for \$60. Until that check clears your account, your current balance is \$100, because it does not include the pending check transaction which has not yet posted. While your current balance is \$100, you know you have already allocated

\$60 of that for the check you wrote.

- You have a \$100 current balance and you make a \$60 online purchase with your debit card (non-PIN). In most cases, the merchant will submit an authorization hold against your account for the \$60; however, whether or not the merchant does this, your current account balance remains at \$100, because the pending online debit card transaction has not yet posted to your account. While your current balance is \$100, you again know you have already allocated \$60 of that for your online debit card purchase.
- Your Available Balance
 - Your available balance is the amount of money that is available to be spent and accounts for holds on deposited funds as well as funds that have already been “reserved” or “allocated” for another transaction, such as a debit card transaction for which a merchant submitted an authorization, but that has not actually been withdrawn from the account (in other words, money you have already spent).
When deciding whether you can spend money without incurring an overdraft, you should review your available balance and account for any transactions that you have authorized (e.g., checks written or electronic withdrawals you have already authorized), but which have not yet posted to your account.
 - Examples of Available Balance (assuming you have opted-in to Full Overdraft Payment Service coverage)
 - You have a \$100 actual balance and you write a check for \$60. Until that check comes in to clear your account, your current balance will reflect \$100 because it does not include the pending check transaction which has not yet posted. While your current balance is \$100, you know have already allocated \$60 of that for the check you wrote, leaving \$40 available to spend.
 - You withdraw \$70 in cash. The following day, the \$60 check clears. The check draws your account balance negative \$30 and thereby creating an overdraft. The check is paid, and an overdraft fee is assessed. Your resulting balance is negative \$60.
 - $\$100 - \$70 \text{ (cash)} - \$60 \text{ (check)} - \$30 \text{ (overdraft fee)} = -\60
 - You have a \$100 current balance and you make a \$60 online purchase with your debit card. In most cases, the merchant will submit an authorization hold against your account for the \$60. When the merchant does this, your current account balance remains at \$100, because this pending online debit card transaction has not yet posted. While your current balance is \$100, you again know you have already allocated \$60 for your online purchase, leaving \$40 available to spend.
 - You make another (non-PIN based) debit card purchase for \$70. The following day, the first \$60 debit transaction clears, and the next day the \$70 debit card transaction clears, drawing your account balance negative \$30 and thereby creating an overdraft. An overdraft fee is assessed. Your resulting balance is negative \$60.
 - $\$100 - \$60 \text{ (1st debit purchase)} - \$70 \text{ (2nd debit purchase)} - \$30 \text{ (overdraft fee)} = -\60

It is very important to understand that you may still overdraw your account even though the available balance appears to show that there are sufficient funds to cover a transaction that you want to make. This happens because the available balance does not include certain transactions, such as scheduled Payment Center transactions, deposits with holds on them, checks that you have written but that have not yet cleared your account, and debit card purchases for which either the merchant did not submit an authorization hold or the merchant's hold expired before the merchant submitted the transaction for settlement. You can avoid overdrafts by simply keeping close track of the money you spend regardless of how you spend it. Once you write a check, swipe or dip your debit card, authorize an electronic withdrawal, or use any other transaction method – you should mentally (or by hand in a register) subtract that dollar amount from the balance of funds in your account available to you to spend. For information on how DCU posts transactions to your account, refer to the [Truth-in-Savings Disclosure and Account Agreements](#).

5. How Do You Qualify for and Maintain Access to DCU's Overdraft Payment Service?

In order to initially be approved for Overdraft Payment Service and to remain eligible, you must be at least 23 years of age and a member in good standing with a DCU Checking Account open for a minimum of 90 days. Please understand that, although you may opt-in anytime, you will not be approved until these conditions are met.

Any negative balance in your checking account that results from DCU having paid a transaction that causes an overdraft must be repaid promptly. Negative balances not repaid promptly will result in you being suspended or terminated from access to the Overdraft Payment Service.

6. How Can You Avoid Overdrafts?

Everyone makes mistakes, but here are a few things members can do to avoid overdrafts:

- Record all debit card purchases, checks, Payment Center transactions, deposits, credits, transfers, and ATM withdrawals in your check register. Do this as soon as you initiate the transaction if it's a withdrawal (i.e. as soon as you write the check, use your debit card, etc.), or as soon as the transaction actually occurs if it's a deposit. Remember to include any recurring withdrawals you have scheduled to ensure the money is in your account before the withdrawal clears your account.
- To cover potential mistakes, keep a cash cushion in your account. If you can manage it, an amount equal to one week's typical bills is a good rule of thumb.
- Set up a Balance is Less Than notification in Online Banking. Pick a minimum safety balance and we will send you an email if your balance drops below that amount.
- Contact billers. If the day you receive your payroll deposits makes meeting your current due dates challenging, many billers will allow you to modify your due date.
- Contact BALANCE, a free service offered to our members. They offer no-cost financial education services. Visit the BALANCE website: <https://dcu.balancepro.org/programs>. Call BALANCE: Call a Financial Counselor, toll-free at 888-456-2227.
- Above all, make sure there is enough money in your account to cover your transactions before you initiate them and review your account online frequently and your monthly statement promptly to prevent a small mistake from becoming a larger problem.

For more information regarding overdrafts, go to dcu.org, call our Information Center 800.328.8797, or email us at dcu@dcu.org.