



## Overdraft Privilege Member Disclosure

An “overdraft” occurs when there is not enough money in your available balance to cover a transaction when it is presented to us for payment. If you don’t have overdraft protection - money in another account that can be transferred or a line of credit - then we will either reject the payment, in which case you will be charged a “Returned Item - NSF” fee, or we may elect to pay it with Overdraft Privilege, in which case we will assess a “Paid Item” fee.

This Disclosure describes our Overdraft Privilege program. If you qualify for Overdraft Privilege, it applies to checks, Automatic Clearing House (ACH) transactions received from another financial institution, Bill Payments, recurring debit card payments and APFCU or its Divisions branch withdrawals. Unless you opt in, it does not apply to one-time debit card payments or ATM withdrawals. Overdraft Privilege applies so long as your account is in “good standing,” which means you (1) deposit enough money to bring your account to a positive end-of-day current balance at least once every 30 calendar days (including the payment of all credit union fees and charges); (2) avoid excessive overdrafts suggesting the use of Overdraft Privilege as a continuing line of credit; and (3) have no delinquent loans with the credit union. Even if you qualify for Overdraft Privilege, we are not obligated to pay overdraft transactions. We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you.

In the normal course of business, we generally pay incoming transactions in real time as they are received. Checks and other debits to your account may post before deposits and other credits.

<u>Payment Method:</u>	<u>How payments post to your account:</u>	<u>Based on:</u>
Checks (Batch file)	Posts by dollar amount from low to high	Available balance at the time of posting.
Checks (Teller)	Posts in no particular order.	Available balance at the time of posting.
Checks (Converted to ACH)	Posts when the ACH file is received and may post to your account more quickly affecting the order in which your checks post.	Available balance at the time of posting.
Debit Card (Recurring)	Posts when the transaction is received.	Available balance at the time of posting.
Debit Card (PIN)	Usually posts to your account immediately at the time of the sale. However, depending on the merchant, the transaction may not be submitted for immediate payment.	Available balance at the time of authorization (time of purchase).
Debit Card (Signature/Online)	When the payment is authorized at the time of purchase, the amount of the authorization reduces your available balance, but does not change your actual balance. Instead, a temporary hold is placed against your available balance, until the funds are deducted when the merchant presents the transaction for posting. Posting transactions could be presented against an insufficient available balance when the merchant submits transactions beyond the normal processing times or for a different amount than the authorization amount. Unfortunately, we do not have control over when or how transactions are presented for payment.	Available balance at the time of authorization (time of purchase).
ACH Debits	Posts by settlement date when the batch file is received. We receive multiple batch files in a day, with debits and credits. Credits post before debits when transactions for the same account are in the same batch file. Otherwise debits post by batch file in the order it is received.	Available balance at the time of posting.

We reserve the right to change the order of payment without notice. Also, please be aware that the order we pay your items may create multiple overdraft items in a single banking day and you will be charged our Paid Item Fee of \$28 for each overdraft item paid and a Returned Item - NSF Fee for each item that is returned unpaid. Note: Returned items may be re-presented for payment multiple times, which may result in a Returned Item - NSF or Paid Item Fee each time a transaction is presented for payment.

You may opt out of the Overdraft Privilege service at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not

to exceed your limit, please note that the amount of the overdraft plus the credit union's Paid Item Fee of \$28 per item will be deducted from the overdraft limit.

We will notify you promptly of any overdraft transactions that are paid or returned; however, we have no obligation to notify you before we pay or return any item. The amount of any overdraft, including our Paid Item Fee of \$28 or Returned Item - NSF Fee of \$28, that you owe us is due and payable upon demand. Even if we do not ask you for payment, you must repay us, no later than 30 calendar days after the creation of the overdraft. If there is an overdraft on an account with more than one owner on the signature card, each owner is jointly and severally liable for all overdrafts including all fees charged.

Your checking account has two balances: the "actual" balance and the "available" balance. Your actual balance is the full amount of all deposits, even though some portion of a deposit may be on hold and may not be available to you, less payment transactions that have "posted" to your account, but not payment transactions that have been authorized and are pending. Your available balance is the amount of money in your account that is available to you to use. The available balance is the actual balance less holds placed (like holds placed on deposits or a lien on the account) and pending transactions (such as pending debit card purchases that the Credit Union has authorized but have not posted to your account). Both balances can be checked when you review your account online, on the APFCU mobile app, on KalaTalk, at an ATM or at an APFCU branch.

We use Your available balance at the time these transactions are presented to us for payment, not when they are authorized, to determine the overdraft status and the assessment of fees.

Here's how it works:

Assume your actual and available balance are both \$100. You swipe your debit card at a restaurant for \$60. If the restaurant asks us to "authorize" the transaction, then we will reduce your available balance by \$60 because we are obligated to pay the transaction once authorized. So, your available balance is only \$40 but your actual balance is still \$100. Before we receive the restaurant charge for posting to your account, a check that you wrote for \$50 is presented for payment. Because you only have \$40 available (you have committed to pay the restaurant \$60), your account will be overdrawn by \$10 **even though your actual balance is \$100**. In this case, we may return the check for non-sufficient funds (NSF) and you may be charged a Returned Item - NSF Fee of \$28. If you are eligible for Overdraft Privilege, then we may pay the \$50 check, but you will be charged a Paid Item Fee of \$28 because your available balance was not sufficient at the time the check was presented to us. Also, when the \$60 restaurant charge is later submitted to the Credit Union and posted to your account you will not have enough money in your available balance because we paid the \$50 check, and you will be charged a Paid Item Fee for that transaction as well, even though your available balance was positive when it was authorized.

Overdraft Privilege should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconcile your checkbook regularly, and manage your finances responsibly. If you would like to have this service removed from your account, please call (808) 531-3711 or (877) 531-3711 toll-free.

Also, at your request, we may authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your available limit. When you ask for your account balance, please remember the amount we show you does not include your overdraft limit.

**LIMITATIONS:** Overdraft Privilege is a non-contractual courtesy that is available to personal, non-business accounts in good standing for personal or household use. Aloha Pacific Federal Credit Union reserves the right to limit participation to one account per household and to suspend, revoke or discontinue this service without prior notice. If your limit is suspended, unless we notify you otherwise or you request this service be removed from your account, your limit will be made available to cover overdrafts again the first business day after you bring your account to a positive end-of-day balance.



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# What You Need to Know about Overdrafts and Overdraft Fees

Effective 4/29/2024

An overdraft occurs when you do not have enough money in your account using the available balance to cover a transaction at the time it is presented to us for payment, but we pay it anyway. For more information on overdrafts, refer to the Overdraft Privilege Disclosure provided to you when you opened your account.

We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account.
2. We also offer overdraft protection plans, such as a link to a savings account and overdraft lines of credit, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our standard overdraft practices.

➤ **What are the standard overdraft practices that come with my account?** [Basic ODP]

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other payment transactions, including in-branch withdrawals, made using your checking account number
- Automatic bill payments and ACH payment transactions received from another financial institution
- Recurring debit card payments.

We do not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- ATM transactions
- Everyday debit card transactions

We 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.

➤ **What fees will I be charged if Aloha Pacific FCU pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a Paid Item fee of \$28.00 each time we pay an overdraft.
- There is no limit on the total fees we can charge you for overdrawing your account.

➤ **What if I want Aloha Pacific FCU to authorize and pay overdrafts on my ATM and everyday debit card transactions?** [Enhanced ODP]

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call (808) 531-3711; or complete the form below and present it at a branch or mail it to 832 South Hotel Street, Honolulu, Hawaii 96813.

I do not want Aloha Pacific FCU to authorize and pay overdrafts on my ATM and everyday debit card transactions.

I want Aloha Pacific FCU to authorize and pay overdrafts on my ATM and everyday debit card transactions.

I have read and I understand the ODP form A9 and disclosures and agree to the decision I made on this form.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Account Number(s): \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.

**Should you change your mind and decide you no longer want us to continue to authorize and pay overdrafts on your ATM and everyday debit card transactions, you may revoke your authorization at any time by contacting us either in person, by mail, or by phone.**

For CU Use Only – MSR \_\_\_\_\_ Date of Change \_\_\_\_\_