

## OVERDRAFT COVERAGE OPTIONS: OVERDRAFT PROTECTION AND COURTESY PAY

University of Nebraska Federal Credit Union understands that unexpected overdrafts occur from time to time – Remember, you have access to Overdraft Coverage Options that can help.

### Overdraft Coverage Options

The choice is yours. Consider these ways to cover overdrafts:

Service	Cost
Automatic Transfer from another University of Nebraska Federal Credit Union deposit account <sup>1</sup>	\$5 fee per transfer
Overdraft Protection Line of Credit <sup>2</sup>	\$3 fee per transfer + interest
Courtesy Pay <sup>3</sup>	\$25 OD/Courtesy Pay fee per item

<sup>1</sup>You were enrolled in Automatic Transfer from your University of Nebraska FCU savings at account opening. <sup>2</sup>Call us at 402.472.2087, visit [www.nufcu.org/overdraftcoverage](http://www.nufcu.org/overdraftcoverage), or come by a branch to apply for a line of credit; subject to credit approval. <sup>3</sup>Automatically available for eligible accounts.

**Automatic Transfer and Overdraft Protection Line of Credit** apply to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account or line of credit you may have at University of Nebraska Federal Credit Union for a fee and/or finance charge. Please note that overdraft lines of credit are subject to credit approval.

**Courtesy Pay** allows you to overdraw your account up to the disclosed limit for a fee to pay a transaction. Even if you have Automatic Transfer or Overdraft Protection Line of Credit, Courtesy Pay is still available as secondary coverage if the other protection source is exhausted. Please review the **“What Else You Should Know”** section included with this letter for other important information.

Transactions Covered with Courtesy Pay	Standard Coverage (No action required)	Extended Coverage (Your consent required on consumer accounts) *	If you would like to select Extended Coverage for future transactions:
Checks	X	X	<ul style="list-style-type: none"> <li>• call us at 402.472.2087</li> <li>• complete the online consent form found at <a href="http://www.nufcu.org/overdraftcoverage">www.nufcu.org/overdraftcoverage</a></li> <li>• visit any branch</li> <li>• complete a consent form and mail it to us at P.O. Box 82847, Lincoln, NE 68501</li> </ul>
ACH - Automatic Debits	X	X	
Recurring Debit Card Transactions	X	X	
Online/Mobile Bill Pay	X	X	
Teller Transactions	X	X	
ATM Transactions		X*	
Everyday Debit Card Transactions		X*	

\*If you choose Extended Coverage on your consumer account, **ATM transactions and everyday debit card transactions** will be included with the transactions listed under Standard Coverage. If you already have Courtesy Pay Extended Coverage, it is not necessary to request it again.

You can discontinue Courtesy Pay in its entirety by contacting us at 402.472.2087 or visiting any branch. If you have not already done so, please provide us with a valid email address to receive future communication via email rather than by postal service.

## WHAT ELSE YOU SHOULD KNOW

- A link to another account or a line of credit may be a less expensive option than an overdraft. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts. Good account management is the best way to avoid overdrafts. Use our mobile banking and Online Banking services to keep track of your balance. For additional financial education resources, please visit [www.mymoney.gov](http://www.mymoney.gov).
- The \$25 OD/Courtesy Pay Fee that is charged is the same fee amount that is charged if an item is returned as unpaid. If the item is \$5 or less on your account, we will not charge a fee. If multiple items overdraw your account on the same day, each item will be assessed an appropriate OD/Courtesy Pay Fee or a Non-Sufficient Funds Fee of \$25. All fees and charges will be included as part of the Courtesy Pay limit amount. Your account may become overdrawn more than the Courtesy Pay limit amount because of a fee.
- Recipients of federal or state benefits payments who do not wish us to deduct the amount overdrawn and the Overdraft Fee from funds that you deposit or that are deposited into your account may call us at 402.472.2087 to discontinue Courtesy Pay.
- If an item is returned because the Available Balance (as defined below) in your account is not sufficient to cover the item and the item is presented for payment again, University of Nebraska Federal Credit Union ("We") may charge a Non-Sufficient Funds Fee each time it returns the item because it exceeds the Available Balance in your account. Because we may charge a Non-Sufficient Funds Fee each time an item is presented, we may charge you more than one fee for any given item as a result of a returned item and representation of the item. When we charge a Non-Sufficient Funds Fee, the charge reduces the Available Balance in your account and may put your account into (or further into) overdraft. If, on representation of the item, the Available Balance in your account is sufficient to cover the item we may pay the item, and, if payment causes an overdraft, charge an OD/Courtesy Pay Fee.
- There is no limit on the total OD/Courtesy Pay Fees per day we will charge. We will not charge an OD/Courtesy Pay Fee on an account if the amount of the item is \$5 or less.
- The posting order for purposes of determining Overdrafts is as follows: Our general policy is to post items throughout the day and to post ACH credits before debits. The first items we pay are ATM withdrawals, everyday debit card transactions and any checks cashed by our employees or that you have written to us. We then pay any items that were submitted electronically, such as ACH items, preauthorized automatic transfers, telephone-initiated transfers and any other electronic transfers. Finally, we pay the remaining items based on presentation sequence. ATM and everyday debit card transactions are posted in the order in which the items are received, while paper checks are posted by draft number; however, because of the many ways we allow you to access your account, the posting order of individual items may differ from these general policies. Holds on funds (described herein) and the order in which transactions are posted may impact the total amount of OD/Courtesy Pay Fees or Non-Sufficient Funds Fees assessed.
- Courtesy Pay is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Deposit Account Agreement and Disclosure. The total (negative) balance, including all fees and charges, is due and payable upon demand.
- Although under payment system rules, NUFUCU may be obligated to pay some unauthorized debit card transactions, NUFUCU will not authorize debit card or ATM transactions unless your account's available balance (including Overdraft Coverage Options) is sufficient to cover the transactions and any fee(s).
- Giving us your consent to pay everyday debit card and ATM overdrafts on your account (Extended Coverage) may result in you incurring OD/Courtesy Pay Fees for transactions that we would otherwise be required to pay without assessing an OD/Courtesy Pay Fee. However, this would allow us to authorize transactions up to the amount of your Courtesy Pay limit and may also help you avoid overdrafts in excess of your available balance. If you consent to Extended Coverage on your account, it will remain on your account until it is otherwise withdrawn.
- NUFUCU authorizes and pays transactions using the available balance in your account. NUFUCU may place a hold on deposited funds in accordance with our Deposit Account Agreement and Disclosure, which will reduce the amount in your available balance. The available balance for checks, ACH items, and recurring debit card transactions is comprised of the balance, less any holds on deposited funds and any debit card holds, plus the amount of the Courtesy Pay limit and any available Automatic Transfer or Overdraft Protection Line of Credit. The available balance for authorizing ATM and everyday debit card transactions on accounts with Standard Coverage is the balance, less any holds on deposited funds and any debit card holds, plus any available Automatic Transfer or Overdraft Protection Line of Credit but does NOT include the Courtesy Pay limit. For accounts with Extended Coverage, the Courtesy Pay limit is included in the available balance for authorizing ATM and everyday debit card transactions.
- Please be aware that the Courtesy Pay amount is not included in your available balance provided through Online Banking, mobile banking or NUFUCU's ATMs.
- NUFUCU will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction. When the hold ends, the funds will be added to the available balance in your account. If your account is overdrawn after the held funds are added to the available balance and the transaction is posted to the available balance, an OD/Courtesy Pay Fee may be assessed.
- Except as described herein, NUFUCU will not pay items if the available balance in your account (including the Courtesy Pay limit, if applicable) is not sufficient to cover the item(s) and the amount of any fee(s).

**Understanding your Available Balance:** Your account has two kinds of balances: the Balance and the Available Balance.

- We authorize and pay transactions using the Available Balance.
- Your Balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending.
- Your Available Balance is the amount available to you to use for purchases, withdrawals, or to cover transactions. The Available Balance is your Balance, less any holds due to pending debit card transactions and holds on deposited funds.
- The balance used for authorizing checks, ACH items, and recurring debit card transactions is your Available Balance plus the amount of the Courtesy Pay limit and any available Overdraft Protection.
- The balance used for authorizing ATM and everyday debit card transactions on accounts with Standard Coverage is your Available Balance plus any available Overdraft Protection but does NOT include the Courtesy Pay limit.

- The balance used for authorizing ATM and everyday debit card transactions on accounts with Extended Coverage is your Available Balance plus any available Overdraft Protection and includes the Courtesy Pay limit.
- Because your Available Balance reflects pending transactions and debit holds, your balance may appear to cover a transaction but later upon settlement it may not be sufficient to cover such transaction. In such cases, the transaction may further overdraw your account and be subject to additional overdraft fees. You should assume that any item which would overdraw your account based on your Available Balance may create an overdraft. Note that we may place a hold on deposited funds in accordance with our Deposit Account Agreement and Disclosure, which will reduce the amount in your Available Balance.

**Understanding Courtesy Pay Limits**

- Eligible new checking accounts will receive a \$750 Courtesy Pay limit after thirty (30) days in good standing.
- Courtesy Pay may be suspended if you default on any loan or other obligation to us, your account becomes subject to any legal or administrative order or levy, or if you fail to maintain your account in good standing by not bringing your account to a positive balance within thirty-two (32) days for a minimum of one business day. You must bring your account balance positive for at least one business day to have the Courtesy Pay limit reinstated.

If you have any questions about Overdraft Protection or Courtesy Pay, please call us at 402.472.2087 or visit a branch.