



## Overdraft Protection Practices

We are committed to fairness and transparency in our overdraft practices. These practices are designed to comply with applicable laws and regulations and in accordance with applicable safety and soundness standards while helping you limit the impact of accidentally overdrawing your account. To help you understand our overdraft and non-sufficient funds (NSF) practices, here are a few definitions:

**Overdraft** - An overdraft occurs when you don't have the money available in your account to pay for one or more of your transactions, but as a courtesy and at our discretion, we honor the transaction and pay it anyway and allow your account to temporarily have a negative balance.

**NSF** - An NSF occurs when you don't have the money available in your account to pay one or more of your transactions and have exhausted any provided overdraft protection and the item is not paid by the credit union and is returned.

### What can you do to limit fees charged for overdrafts and NSFs?

We allow you to specify one or more accounts from which to transfer funds if you overdraw your account. This overdraft transfer option can be set up when you open your account or anytime later by visiting a branch and signing the required paperwork. This option does not cost anything and will transfer money to cover each overdraft as long as funds are available. Once funds are exhausted an Overdraft or NSF fee will be assessed. This option covers checks and other transactions made using your checking account and automatic bill payments such as ACH or recurring debit card transactions. It does not include ATM transactions or every day debit card transactions unless you sign a form authorizing us to do so. In addition, if your available account balance is overdrawn by less than \$10, you will not be assessed an overdraft or NSF fee.

### What other overdraft options are available for a fee?

Most members are eligible for **Courtesy Pay**. If you are over the age of 18, your account is over 30 days old, your account has reached a balance of \$500 at least once, and is in good standing then Courtesy Pay will be automatically activated. How do you stay in good standing? It includes at a minimum the following:

- Bringing your account to a positive balance within every thirty (30) day period;
- Not being in default on any loan or other obligation to WCU;
- Not being subject to any legal or administrative order or levy;
- Not having a wrong address on your account;
- Not letting your account go dormant with 12 months of inactivity;
- The primary member on the account must not become deceased.

Depending on the type of account you have, the Credit Union normally provides coverage of \$500, \$750, or \$1000 toward overdrafts. Courtesy is not a line of credit; it is a discretionary courtesy and not a right or obligation. Discretionary payment does not obligate the Credit Union to pay additional payments or provide prior notice of its decision to refuse to pay any additional overdraft items. There is a fee for each overdraft paid with Courtesy Pay.

Overdrafts are paid, at our discretion, until the combined amount of the overdrafts and the fees assessed reaches the overdraft coverage amount provided. At that time items will no

longer be paid and will be returned and accessed an NSF fee. Fees are disclosed in the current Fee Schedule which has already been provided to you and is available on our website. Merchants may also charge a return fee.

**Are there items that aren't covered by Courtesy Pay?**

Yes, ATM and everyday Debit Card transactions are not covered. You may activate ("opt-in") coverage for these transactions by visiting a branch and signing a form to opt into the additional coverage.

**How long do I have to bring my account balance positive again?**

The total of the discretionary Courtesy Pay balance, including any and all fees, charges, non-sufficient funds, and overdraft fees are due and payable upon demand and must be paid within 30 days to remain in good standing. The Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Membership Account Agreement and Disclosures and Fee Schedule.

**What if I don't want Courtesy Pay?**

You may opt-out of Courtesy Pay by making a request at the Credit Union and signing the necessary paperwork. If you decide to opt-out you can always change your mind and request to opt back in by signing the required form.

**What happens if I decline all of the overdraft options listed above?**

If you overdraw your account your item will be returned unpaid and you will be charged an NSF fee.

**How is my balance determined for overdraft purposes?**

Your account has two kinds of balances: the actual balance and the available balance. Your actual 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 of money in your account that is available for you to use. Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. We use your available balance to determine whether there are sufficient funds in your account to pay items and make Courtesy Pay transactions, including checks and drafts, as well as ACH, debit card, and other electronic transactions. Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn regardless of your actual balance. You should assume that any item which would overdraw your account based on your available balance may create an overdraft. You may check your available balance through our mobile banking application, online at our website, at an ATM, by visiting a branch, or by calling us at 503-773-3236.

**How are transactions posted to my account?**

Basically, there are two types of transactions that affect your account: credits (deposits of money into your account) and debits (payments out of your account). It is important to

understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

**Credits:** Deposits are generally added to your account when we receive them. However, in some cases when you deposit a check, the full amount of the deposit may not be available to you at the time of deposit. Please refer to the Funds Availability Policy Disclosure provided at the time you opened your account for details regarding the timing and availability of funds from deposits.

**Debits:** There are several types of debit transactions. Common debit transactions are generally described below. Keep in mind that there are many ways transactions are presented for payment by merchants, and we are not necessarily in control of when transactions are received.

- **Checks:** When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments in the order contained in the data file.
- **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions for your account are posted throughout the day in order of receipt.
- **PIN-Based Debit Card Purchase Transactions:** These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of sale. They are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not immediately be presented for payment.
- **Signature-Based Debit Card Purchase Transactions:** These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed. The "authorization hold" will reduce your available balance by the amount authorized but will not affect your actual balance. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its payment processor. These payment requests are received in real time throughout the day and are posted to your account when they are received.

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, a hold will be placed in an amount equal to the bill presented to you; but when the transaction posts, it will include any tip that you may have added to the bill. This may also be the case when you present your debit card for payment

at gas stations, hotels, and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

The order in which we process checks, drafts, or items, and execute other transactions on your account may affect the total amount of overdraft fees that may be charged to your account. We do not order payments to affect overdraft charges. This is a general description of certain types of transactions. These practices may change and we reserve the right to pay items in any order we choose as permitted by law.

**Scheduled Transfers.** Scheduled payments set up to transfer funds from one account to another or to pay loans will not be executed if the funds available balance is less than the scheduled payment amount even if overdraft protection is enabled.

**Legal Stuff.** The Membership Account Agreement and Disclosure (MAA) provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the Authorized Signatories, and WCU with regard to your checking account. The MAA (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Courtesy Pay Policy and the MAA. A copy of the MAA is available to you on request from your WCU representative and on our website.