

Overdraft Opt-In Consent Form

What you need to Know about Overdrafts and Overdraft Fees

Your checking account has two kinds of balances: the **actual** balance and the **available** balance. Both can be checked when you review your account online, on our mobile app, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. Your account can be overdrawn even when the actual balance is sufficient to pay an item on the account, if the available balance is insufficient to pay that item.

Your **actual** balance reflects transactions that have posted to your account, but not transactions that have been authorized and are pending. Pending deposits that are subject to holds under our Funds Availability Policy will be reflected in the actual balance even though they are not yet “available.” While the term “actual” may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case. Your actual balance will not reflect any purchases, holds, fees, or other charges, or deposits made on your account that have not yet posted.

Your **available** balance is the amount of money in your account that is available to you to use without incurring a Courtesy Pay Fee. The available balance takes into account factors such as holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. It is important to note that point-of sale transaction may show on your account as pending. This means the merchant has not submitted the transaction to us. The amount of pending transactions should be taken into account when viewing your available balance.

The following are examples that illustrate actual and available balances.

Example 1: If you write a check for \$20 but it has not cleared your account, your available balance will be \$20 less than what is reflected as your actual balance.

Example 2: If you use your debit card to make a \$45 purchase online, an authorization hold will be placed on your account. Your available balance will be \$45 less than what is reflected as your actual balance. When the merchant submits the charge for processing, the hold will be released and the transaction will be deducted from your account. Your actual balance will also be reduced by the transaction amount.

Example 3: If you use your debit card at restaurant for \$50, a hold will be placed on your account for that amount. Your available balance will be \$50 less than what is reflected as your actual balance. When the restaurant submits the charge for processing, the authorization hold will be released and the transaction (which may be more than \$50 if you add a tip), will be deducted from your account. Your available balance would be reduced by the tip amount, while your actual balance will be reduced by the entire bill including tip.

Rutgers Federal Credit Union (RFCU) offers two kinds of services that allow for payment of your transactions when your checking account’s **available** balance is insufficient to pay the transaction(s). While we provide these services for your convenience and as a way to help you avoid non-sufficient funds (NSF) transactions and associated fees, you are responsible for keeping track of the funds in your account that are available for you to use before you write a check, make a cash withdrawal at an ATM,

or use your debit card for a transaction. We recommend that you keep running balance that reflects all of your transactions.

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

What are the **standard overdraft practices** that come with my account?

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

- Checks and other transactions made using your RFCU Checking account number
- Automatic bill payments

We **do not** authorize and pay overdrafts for the following types of transactions unless you authorize us to:

- ATM transactions
- Debit card transactions

We pay overdrafts at our sole discretion, based on how you manage your RFCU checking account and maintain other RFCU financial obligations. This means we do not guarantee that we will always authorize and pay an overdraft transaction.

If we **do not** authorize RFCU to pay an overdraft, your transaction will be declined and you may be charged NSF fee(s)* from the merchant/financial institution that initiated the transaction.

- *What fees will I be charged if Rutgers Federal Credit Union pays my overdraft?*
Under our standard overdraft practice- we will charge you a fee* each time we pay an overdraft. There is no limit on the total of fees we can charge you for over drafting your account.
- *What if I want Rutgers Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions?*

If you want to authorize RFCU to pay overdrafts on ATM and everyday debit card transactions, you are required to “opt-in” by completing the form below. The form can be dropped off or mailed to any of our branch locations or emailed to info@rutgersfcu.org. You may revoke your request at any time by submitting a written request. Your decision to opt-in does not guarantee that we will always pay your ATM transactions or debit card transactions when your available balance is insufficient to cover the transaction.

- I **do not** want Rutgers Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.
- I **want** Rutgers Federal Credit Union to pay overdrafts on my ATM and everyday debit card transactions.

Member Name: _____ Date: _____

Member Signature: _____ Member Number: _____

**Please refer to our fee schedule. The fee schedule is subject to change at any time as approved by the Board of Directors.*