



## Overdraft Privilege Member Disclosure

There are several ways your account may become overdrawn, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you (i.e. debit card point of sale); (3) the return of unpaid items deposited by you; (4) credit union service charges; and (5) the deposit of items which, according to Our Funds Availability Policy, are treated as not yet available.

Overdraft Protection - money in another share or savings account or a line of credit that can be transferred to cover the shortage in your account. If you do not have funds available, or you have not elected Overdraft Protection then we may elect to pay it with Overdraft Privilege, in which case we will assess a "Paid Item" fee. We may reject the payment, in which case you will be charged a "Returned Item-NSF" fee.

This Disclosure describes our Overdraft Privilege program. While we are not obligated to pay any item presented for payment if your account does not contain enough funds, as long as you maintain your account in "good standing" and your eligible account has been opened for at least thirty (30) days, we may approve your overdraft items within your unused Overdraft Privilege limit as a non-contractual courtesy. For Overdraft Privilege consideration, your account is in "good standing" if (1) you have no delinquent loans with the credit union; (2) your regular share account has a minimum balance of \$5.00; (3) you make sufficient deposits to bring your account to a positive end-of-day balance at least once every thirty (30) calendar days; or (4) you have not received notification, from the Credit Union, of abusive conduct.

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.

If you have more than one account, all eligible accounts will be assigned a limit.

If you request to opt in we may authorize your everyday debit card purchases and ATM transfers or withdrawals, using your available balance and your Overdraft Privilege limit. If you opt in, your available balance at the time these transactions post will determine the overdraft status. Other transactions initiated by you, or a delay in processing authorized transactions by the merchant, may result in previously authorized transactions posting against an insufficient balance. It is our policy not to charge for transactions that are approved on a positive balance but post against a negative balance. A Paid Item Fee of \$28.00 will be charged for each ATM or everyday debit card transaction that is authorized and posts against insufficient funds. Once opted in, you may revoke your authorization at any time by contacting us at 808.531.3711 or 877.531.3711 toll-free.

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	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 purchase. However, depending on the merchant, the transaction may not be debited from your account immediately.	Available balance at the time of authorization (time of purchase).

<u>Payment Method:</u>	<u>How payments post to your account:</u>	<u>Based on:</u>
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. 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 of \$28 for each item that is returned.

Multiple paid items will result in multiple fees. For example, three paid items in one day will result in \$84 in Paid Item fees. To help you manage your account, the total fees you have paid for items (both paid and returned) during the current month and year-to-date will be reflected on your monthly account statement.

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.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in “good standing” as defined above; if based on our review of your account management, we determine that you are using Overdraft Privilege excessively; seem to be using overdraft Privilege as a regular line of credit; or we suspect fraud or possible illegal activity affecting your account. We may assess a Returned Item-NSF Fee of \$28 for each item returned.

We will notify you of any non-sufficient funds (NSF) 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; and any outstanding transactions to your account that have not yet posted are not reflected in your actual balance.
- Your available balance is the amount of money in your account that is available for 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 yet posted to your account).

Both balances can be checked when you review your account online, on the APFCU mobile app, on Aloha Bank-By-Phone, at an ATM or at an APFCU branch. Balances provided do not include the Overdraft Privilege limit.

We use Your available balance at the time these transactions are authorized and presented to us for payment to determine the overdraft status and the assessment of fees.

Here's how it works:

Assume your actual and available balances 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 if the settlement comes in. Your available balance is only \$40 because the \$60 restaurant transaction has not yet been posted to your account; and your actual balance is still \$100.

Before the restaurant charge is posted to your account, a check that you wrote for \$50 is presented for payment. You now have only \$40 available, so your account is overdrawn by \$10 **even though your actual balance is \$100**. In this case, we may return the check for non-sufficient funds 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.

Although you do not have available funds when the \$60 restaurant charge is later submitted to the Credit Union and posted to your account, you will not be assessed the Paid Item Fee because \$100 was available at the time of authorization. Using this example, if your available balance at the time of the authorization was not sufficient to cover the restaurant charge and you opted into the enhanced ODP service, we would authorize the transaction and you would be charged a Paid Item Fee only if you did not have funds available at the time the transaction is posted to your account.

Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account. 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, which could cause your account to be overdrawn beyond the overdraft limit.

Overdraft Privilege should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to manage your finances responsibly by keeping track of your account balance, entering all transactions in your check register, and reconciling your account regularly. Financial education tools may be found at <https://alohapacific.checkingnavigator.com/>, <https://www.fdic.gov/moneysmart> and <https://www.consumerfinance.gov/>.

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. If you would like to have this service removed from your account, please call 808.531.3711 or 877.531.3711 toll-free.

**LIMITATIONS:** Overdraft Privilege is a non-contractual courtesy that is available to individually/jointly owned, non-business accounts in good standing for personal 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 3/1/25

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.
- The maximum amount of fees we will charge, per day, per account, for overdrawing your account will not exceed \$140.

➤ **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.

By signing below, I affirm that I have been provided the A9 disclosures and agree to the decision I have 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 \_\_\_\_\_