



What is an Overdraft? What accounts are eligible for Overdraft Protection?

An **overdraft** occurs when you do not have enough money in your account to cover a transaction. **Overdraft Protection** is when an overdraft occurs from a Share Draft (Checking) Account, but your financial institution still pays for the transaction and may be subject to fees for their use. Primary Share (Savings) Accounts are not eligible for overdraft protection and are still subject to overdraft fees.

What are the types of Overdraft Protection HFCU offers?

1. Overdraft Line of Credit
2. Share Overdraft Transfer
3. Courtesy Pay

What is an Overdraft Line of Credit? Who is eligible for it?

An Overdraft Line of Credit is a credit line that is advanced in increments of \$100 at a time. As a member you will have to apply and become eligible for a line of credit up to \$1,000, but you can request less. This is the most cost effective option for you, the member, as there are no additional fees for its use. You always have the option to pay it back in full when you use it, but there is a minimum payment of \$40.00 per month at 15% APR. Since this is a loan, there is the added benefit of building credit while using it.

Any member with a Share Draft (Checking) Account is eligible to apply for this protection, but will need to be approved as it is a loan.

What is a Share Overdraft Transfer? Who is eligible for it?

A Share Overdraft Transfer allows you to utilize funds that is available in another account in the event your Share Draft (Checking) Account is going to overdraw. These transfers are made in increments of \$100 at a time. A Share Transfer Fee of \$3.00 applies each time a transfer is necessary. You may designate which account to transfer from, but it can not be an IRA or HSA. A transfer may also be set up from another membership which you are an owner. This is more expensive than the Overdraft Line of Credit due to the fees involved.

All members with a Share Draft (Checking) Account are eligible to enroll.

What is a Courtesy Pay? Who is eligible for it?

Courtesy Pay is a service which allows your financial institution to honor Check, ACH, ATM, and Debit Card transactions which would otherwise be returned as insufficient funds because the funds are not eligible in your Share Draft (Checking) Account. Each time Courtesy Pay is used, a \$30.00 fee is incurred. When the Courtesy Pay \$800 limit is exhausted, the item will be returned for insufficient funds and a \$30.00 non-sufficient funds/NSF fee is charged. Due to the fees, this is the most expensive overdraft protection for the member of the three overdraft protections.

Members have an \$800 Courtesy Pay limit. Your Share Draft (Checking) Account will stay negative until all fees and Courtesy Pay items have been paid in full to the Credit Union.

The Credit Union pays 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 and fees will still be assessed.

Basic and Premier Checking Account members are enrolled in Courtesy Pay after 30 days of membership if the account meets eligibility. The account must have deposits totalling \$400 or more in each 30 day period. The account must be current on all loan obligations. This service will cover drafts and ACH debits, but you must consent for ATM and POS Debit transactions. Please review the full Courtesy Pay Disclosure for full eligibility information.

(www.hfcuvt.com/cp-disclosure)

Overdraft Protection	Features	Benefits	Fees
Overdraft Line of Credit	Advance \$100 at a time	Most cost effective option	No fees
	Typically \$1000 Line	Credit builder loan	
	Must make minimum \$40/mon 15 % APR	Avoid NSF or Courtesy Pay Fees	
Share Overdraft Transfer	Advance \$100 at a time	Saves time	\$3/transfer
	Designate specific savings/share account		
Courtesy Pay	\$800 Limit	Avoid multiple fees	\$30/transfer
		Avoid unpaid returned items	