

**OVERDRAFT PROTECTION ELECTION**

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**Member Name Legal Owner Name**

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**Member # Account # Legal Owner Name**

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 **Legal Owner Name**

Abilene Teachers Federal Credit Union offers OverDraft Protection (ODP) as an additional service attached to your checking account. This allows the Credit Union to pay an item presented against your account even if it causes the account to be overdrawn. This non-contractual courtesy of paying overdrafts requires an account holder to choose the option below. No additional agreements need to be signed, and it costs nothing unless the protection is used – by initiating check, ATM withdrawals, or other payment or withdrawal requests for more than is on deposit in the account. Whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, you are not making regular deposits, or you have too many overdrafts.

Although you are not charged for using OverDraft Protection Services unless your account overdrafts, you may opt-out at any time. If you do not want us to pay your overdrafts, you must tell us (“opt-out”). By checking the box to NOT have Classic ODP below, you are choosing to opt out of the ODP service completely.

**Classic Protection**

I (we) would like to have Classic OverDraft Protection (ODP) added to my (our) checking account. I (we) understand that this protection is offered as a privilege to Abilene Teachers FCU members.

If approved, I (we) accept that by using this Classic ODP, I (we) have sixty (60) days to repay the Credit Union for any transactions (teller transactions, check clearing, electronic funds transfers, etc.) that cause the account balance to be negative. If your checking account remains negative for thirty two (32) consecutive days, Classic ODP will be removed, and your debit card will be suspended. Per federal regulation, the Credit Union will be forced to close any account that remains negative for sixty (60) consecutive days.

I (we) recognize the following program details:

1. Abilene Teachers FCU will consider providing to my account, as a discretionary courtesy and not a right or obligation, Classic ODP of $100 maximum.
2. There will be a $25 fee charged for each transaction that uses Classic ODP. The fee is based off of your available balance at the time of settlement. If you have funds on hold for using your debit card or for a deposit that requires a hold, your available balance will be less than your ledger balance. For more information concerning available balance, please refer to your account agreement, the Overdraft Protection brochure, or ask a staff member.
3. Any fees accessed are included in the Classic ODP availability. This means that the fee lowers the amount available for me (us) to use.
4. If you are a brand-new member to the Credit Union, you must have Classic ODP on your checking account before your account can be analyzed for Premium ODP.

□ I (we) am requesting Classic ODP for automatic drafts and checks transacted on my (our) checking to be added.

□ I (we) am requesting **NOT** to have classic ODP for automatic drafts and check transactions on my (our) checking account. This means that the Credit Union will **NOT COVER** transactions that attempt to clear your account if there are not enough funds available.

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**Primary’s Signature Date Legal Owner’s Signature Date**

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**Legal Owner’s Signature Date Legal Owner’s Signature Date**

**Premium Protection**

I (we) would like to have Premium OverDraft Protection (ODP) added to my (our) checking account. I (we) understand that this protection is offered as a privilege to Abilene Teachers FCU members.

Premium ODP has all the same program details as Classic ODP except that the amount available on the account can be more. Abilene Teachers FCU determines eligibility based on multiple factors including but not limited to member’s history of responsible account management, direct deposit amount and timing, ChexSystems history, etc.

The Credit Union reviews account history every 30 days for the first 180 days that the account is open. If your account does not qualify within the first 180 days, the member is responsible for reaching out to the Credit Union for consideration of an upgrade to Premium ODP.

If approved, I (we) accept that by using this Premium ODP, I (we) have sixty (60) days to repay the Credit Union for any transactions (teller transaction, check clearing, electronic funds transfers, etc.) that cause the account balance to be negative. If your checking account remains negative for thirty two (32) consecutive days, Premium ODP will be removed, and your debit card will be suspended. Per federal regulation, the Credit Union will be forced to close any account that remains negative for sixty (60) consecutive days.

□ I (we) am requesting Premium Overdraft Protection for automatic drafts and checks transacted on my (our) checking account to be added as soon as I (we) qualify. I understand that the Credit Union will notify me when this change occurs. Notification can be made by mail, email, or phone.

□ I (we) am requesting **NOT** to have Premium Overdraft Protection for automatic drafts and check transacted on my (our) checking account to be added as soon as I (we) qualify. This means that the Credit Union will **NOT COVER** transactions that attempt to clear your account if there are not enough funds available.

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**Primary’s Signature Date Legal Owner’s Signature Date**

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**Legal Owner’s Signature Date Legal Owner’s Signature Date**

**Extended Protection**

Extended Protection is offered in addition to Classic or Premium ODP as a way to cover transactions beyond checks, Electronic Funds Transfers, and teller transactions. Extended Protection includes ATM Withdrawals and Debit Card Transactions.

In order to be eligible for Extended Protection, you must qualify for and have access to either Classic or Premium ODP.

If approved, I (we) accept that by using this Extended Protection, I (we) have sixty (60) days to repay the Credit Union for any transactions (Teller transaction, check clearing, electronic funds transfers, debit card purchases, ATM withdrawals, etc.) that cause the account balance to be negative. If your checking account remains negative for thirty two (32) consecutive days, Extended Protection and ODP will be removed, and your debit card will be suspended. Per federal regulation, the Credit Union will be forced to close any account that remains negative for sixty (60) consecutive days.

□ I (we) am requesting Extended Protection be added to my checking account protection package to cover ATM Withdrawals and Debit Card transactions made with my ATFCU Debit Card.

□ I (we) am requesting **NOT** to have Extended Protection added to my checking account protection package. This choice means that the Credit Union **WILL** **NOT AUTHORIZE** and pay overdrafts for ATM Withdrawals and Debit Card Transactions.

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**Primary’s Signature Date Legal Owner’s Signature Date**

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**Legal Owner’s Signature Date Legal Owner’s Signature Date**

 Member Service Rep: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# **OverDraft Protection Specifications**

**Overdrafts and OverDraft Protection**. We pay checks and other payment orders to your account based on your ‘available balance’ at the time of settlement. The availability of funds in your account may be delayed or reduced as provided in the Membership Agreement, the Funds Availability Policy, the Electronic Fund Transfers Agreement and Disclosure, the Mobile Remote Deposit Agreement, and for other reasons such as legal holds. You can check the amount of your available balance when you review your account through our Online Banking, Mobile App, at many ATM’s or by calling or visiting a branch office during business hours. You must be enrolled in an electronic fund transfer (EFT) service in order to review your balance through Online Banking, Mobile App, or ATMs.

**Current and Available Balances**. In order to properly manage your checking account to avoid overdrafts and resulting fees, it is important to understand your checking account has two kinds of balances: the “current balance” and the “available balance.” The **current balance** is the actual amount of money in your account at any given time. The current balance reflects transactions that have been posted to your account but does not reflect pending transactions. For example, if you have $50.00 in your account and you write a check for $40.00, then your current balance remains at $50.00 until the check is presented and posted to your account. The current balance does not reflect a pending check while it is in transit. The current balance does not reflect other items which have been preauthorized but have not yet been posted to your account, such as a debit card purchase. Funds used to cover your transactions are limited based on the **available balance**. The available balance is the part of the current balance **available** for you to use without **incurring overdraft or non-sufficient funds (NSF) fees.** The available balance takes into account holds placed on account funds for check deposits (pursuant to our Funds Availability Policy), pending preauthorized debit card transactions at the time of purchase that have not yet posted to the account, and legal holds. For example, if you have $100.00 in your checking account and you use your debit card at a restaurant for $50.00, then the merchant may ask for a preauthorization for the $50.00 payment. We will place a hold on your account for $50.00 and your available balance will be reduced to $50.00. Even though your current balance will remain at $100.00 until the debit card transaction posts or the preauthorized hold is released, the available balance to determine if your account is overdrawn is $50.00. The merchant has a right to request a preauthorization amount that may be different (more or less) than the underlying transaction to account for additional amounts which could be added to the purchase. Funds subject to a hold are not available to cover your transactions such as checks, debit card transactions, online bill payments, and ACH payments. The available balance may not always reflect outstanding debit card transactions. **As a result of these factors, we recommend you carefully track all of your transactions to ensure you have sufficient funds available in your checking account when the transactions are presented to us for payment. Failure to do so may result in overdraft fees**. It is determined whether sufficient funds are available when the transaction is presented for settlement.

**What is an Overdraft?** An overdraft occurs when a check, an electronic payment, ATM Withdrawal, debit card transaction, or any other payment you have made is presented to the Credit Union for payment, but sufficient funds are not available in your checking account or other applicable account to pay the transaction. Remember, we use the **available balance** to determine if your account will be overdrawn. In such a case, the payment would normally be returned to the payee’s financial institution as an NSF, and you may be charged an NSF fee. If you have chosen our Overdraft Transfer service or have a Personal Line of Credit (PLOC) loan with us, the transaction can be paid for by automatically transferring available funds from your Savings or PLOC loan. In addition, if you are enrolled in our OverDraft Protection (ODP) service, this may provide an additional layer of protection when funds are not available from your other sources. The OverDraft Protection service may not be available for all checking accounts. While there is no charge for having the service available, you may incur fees or other charges for actually using our OverDraft Protection Services as set forth in our Fee Schedule.

**OverDraft Protection**. We offer four levels of OverDraft Protection. The first level is called Overdraft Transfer and is furnished for qualifying checking accounts at a member’s request. This service transfers available funds from you savings account(s) to pay for a transaction when your checking account does not have sufficient available funds. As part of our first level, we offer a Personal Line of Credit (PLOC) to members who qualify, which is a loan that can be used as needed to cover overdrafts. You can apply for this loan through our loan department or through our website at [**www.abileneteachersfcu.org**](http://www.abileneteachersfcu.org). In the event you write a check or take any other action which would result in an account becoming overdrawn, such check or action taken shall be viewed as a request by you to us to transfer available funds from your savings account(s) or PLOC loan in increments deemed sufficient to pay such check or otherwise remedy the overdraft, together with any service charge we may impose. We will use our best efforts to transfer funds to your checking account from your savings account or PLOC loan in the manner you have directed. The second and third levels of OverDraft Protection are called Classic Protection or Premium Protection. These protections are available on most checking accounts to qualifying members in good standing, who meet eligibility requirements, and request it. **OverDraft Protection is not a line of credit and is not guaranteed.** In the event a check, electronic transfer, cash withdrawal, or bill payment transaction is presented for payment and sufficient funds are not available in your checking account and there are no other sources of Overdraft Transfer, we will strive to pay your reasonable overdrafts if Classic or Premium coverage is available on your account. The fourth level of OverDraft Protection is called Extended Protection which extends coverage to your ATM and debit card transactions. We will charge an OverDraft Protection Fee as set forth in the Fee Schedule for using these services. The amount of the protection approved for your checking account may vary and is subject to change at any time based on certain membership factors such as the age of the account, deposit activity and history, including repayment history. If you want to discontinue the Overdraft Transfer and/or Overdraft Protection Services for your Account, you may opt-out at any time by calling, writing to us, or completing the “Opt-Out” form.

**Any amount of Overdraft Protection or other causes that result in a negative balance in your checking account will need to be repaid to the Credit Union within 60 days.**