

Overdraft Privilege



Family Horizons
CREDIT UNION

6665 East 21st Street
Indianapolis, IN 46219
(317) 352-0423

Overdraft Privilege helps protect you against having your checks returned in the event of an inadvertent overdraft of your account by giving you a reserve for emergencies or unexpected situations. There is no fee for having this privilege on your account; you are only charged if you overdraw your account. You do not have Overdraft Privilege on your account until you receive written confirmation from us that it has been added to your account.

Overdraft Privilege is not a line of credit. However, if you overdraw your account, we will normally pay the overdraft, subject to the limit of your Overdraft Privilege.



Here's how Overdraft Privilege works

Suppose your account balance is \$50. Without Overdraft Privilege, if you write a check for \$100, Family Horizons Credit Union will charge your account a fee (**currently \$36**) for writing a check with insufficient funds, and will then return the check. In most cases, the establishment that you wrote the check to will require you to redeem the check and will probably charge you a fee (usually at least \$20) for writing an NSF check. This means that you have now incurred two fees (\$36 at Family Horizons Credit Union and at least \$20 at the merchant) for a check that wasn't even paid.

However, if **you HAVE \$1,000 of Overdraft Privilege**, here is how the situation typically would work. When the check is presented for payment, Family Horizons Credit Union would pay the \$100 check and charge you the \$36 fee for an overdraft transaction. The total charge to you would have been \$36 compared to \$36 plus any merchant fees if you had not had Overdraft Privilege. Additionally, you avoid the embarrassment of being added to any bad check lists on the check approval networks or with the merchant.

When you use your Overdraft Privilege you must remember to subtract the overdraft fee from your account balance. In the example above, you would have subtracted \$136 from your account: \$100 (the amount of the check) plus \$36 (the amount of the overdraft fee). Any additional items that come in while your account has a negative balance will also be charged the overdraft fee of \$36 per item. It is important to record these fees. The next deposit that you make should bring your balance to the amount of the deposit minus the amount you were overdrawn and the overdraft fee.

Once you have authorized overdraft privilege by opting in for your debit card, the overdraft privilege is then available to you via your ATM/debit card. Suppose you just spent an hour in the grocery store gathering everything you need, and your bill comes to \$165. Without Overdraft Privilege, your account balance is only \$150, but you did not realize it, so you swipe your Debit card. The merchant hands you a tiny piece of paper that says "insufficient funds", and you have to either put some items back, find another means of payment, or leave the store without your purchase. However, if you have Overdraft Privilege and you have not exceeded the \$1,000 limit, your transaction would be completed. You would be charged \$36 for the overdraft, but you would avoid the embarrassment of your transaction being declined. ATM balance inquiries and receipts will show a single balance figure that does NOT include the Overdraft Privilege as part of your current available balance, so be sure to verify that you intend to access your Overdraft Privilege if you request more funds than you have in your checking account.

Points to Remember about Overdraft Privilege

- Every debit item on an overdraft account will be charged an overdraft fee of \$36.
- You must promptly repay the amount of the overdraft and the overdraft fee.
- Your Overdraft Privilege will NOT be included as part of your available balance at an ATM, but the ATM will typically allow you to overdraw your account up to the limit of the Overdraft Privilege. Thus, your withdrawal may include funds provided as part of the Overdraft Privilege. You should balance your checkbook regularly to ensure that you can easily verify your account balance prior to performing ATM transactions.
- You must bring your account to a positive balance within 30 days for at least 24 hours or the Overdraft Privilege will be suspended.
- You do not have Overdraft Privilege until you receive a letter telling you that it has been put on your account.
- If you have any questions or desire not to have this service, please contact a Member Services Representative at 317-352-0423.

Overdraft Privilege Terms and Conditions

You must maintain your account in good standing, which includes at least ensuring that:

- Your account balance is brought to a positive balance within every thirty (30) day period for a minimum period of twenty-four (24) hours;
- Your loans and any other obligations with Family Horizons Credit Union are paid current;
- You are not subject to any legal or administrative order or levy;
- You maintain your correct mailing address with Family Horizons Credit Union.

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 XXXXXXXXXXXX1234
 6665 E 21ST STREET
 INDIANAPOLIS IN
 SEQ#1234
 BALANCE INQUIRY
 FROM CHECKING
 \$50.00

Transaction date
 Time
 Machine ID#
 Last 4 numbers of card used
 Machine address
 Transaction ID#
 Transaction type
 Available account balance

With Family, you're home.
 Family Horizons
 CREDIT UNION

Understanding your ATM Receipt

When using an ATM, the balance shown on your receipt does NOT include your Overdraft Privilege limit of \$1,000. If you wish to access our Overdraft Privilege, simply request an amount for more than your balance shows in your Checking account, and remember to factor in the \$36 fee that will be charged for this service. Please balance your register regularly to prevent overdrafts.