

# BESSER CREDIT UNION

- OPT-IN Notice

## Overdraft Protection FAQ's

By now, you've probably heard about the new **Overdraft Protection rules that will be effective on July 1, 2010**. To help you decide if you would like to take advantage of this service, we've prepared this list of frequently asked questions that we hope you find to be helpful and informative. If you have other questions, or need clarification about this service, please call us at 1-800-655-6508 or visit any location of Besser Credit Union.

### How do I avoid an Overdraft on my account?

- The best way to avoid Overdraft and bounced-check fees is to keep your checking account balanced so you don't overdraw it.
- Know how much money you have in your checking account by keeping your account register up-to-date. Record all checks when you write them and other transactions when you make them. And don't forget to subtract any fees.
- Record all transactions, including ATM withdrawals and fees, check card purchases, and online payments.
- Don't forget about automatic bill payments you may have set up for utilities, insurance, or other recurring payments.
- Keep an eye on your account balance. Remember that some checks and automatic payments may not have cleared yet.
- Review your account statements each month.
- **Use our free services, "Its ME 247" online banking and CUTalk telephone banking, 1-800-860-5704, to check your available balance at any time.**

### What options does Besser Credit Union offer for Overdraft Protection?

- Share (savings) account
- Overdraft Protection Line of Credit
- (NEW) Courtesy Pay

### How is my Share (savings) account used as Overdraft Protection?

If there are available funds in your savings account, we will automatically transfer the funds electronically from your savings account. A small fee may be charged. (See fee schedule). A transfer from your savings account is the most inexpensive method of covering an overdraft.

### What is an Overdraft Protection Line of Credit?

An Overdraft Protection Line of Credit is a loan. It is a line of credit that is available to you when needed to cover an insufficient checking account transaction. This loan will cover insufficient checking transactions (checks, ACH, Point of Sale, or Bill Payment) up to your available credit limit.

### How does an Overdraft Protection Line of Credit work?

If you have Overdraft Protection, instead of overdrawing your account or sending items back unpaid and charging an NSF fee, we will advance money from your Overdraft Line of Credit to pay those transactions up to your available limit.

### **What is the cost associated with an Overdraft Protection Line of Credit?**

The Overdraft Protection Line of Credit is a loan and any amounts advanced on the Line of Credit are subject to a finance charge. A small fee **may** apply to initiate the transaction (See fee schedule).

### **When do I pay the charges on my Overdraft Protection Line of Credit?**

You may make payments on your Overdraft account any time there is an outstanding balance, but you are required to make a minimum monthly payment of at least \$30 each month. Funds may be deducted from your savings or checking account to cover the minimum monthly payment requirement.

### **How do I sign up for an Overdraft Protection Line of Credit?**

In order to open an Overdraft Line of Credit, you do have to apply and qualify. Because it is a loan, you must meet certain requirements. You can apply at any of our branches or call 1-800-655-6508. An Overdraft Line of Credit is the second most inexpensive way to protect your account from overdraft charges.

### **What if I don't have an Overdraft Protection Line of Credit or sufficient funds in my account?**

If you do not have sufficient funds in your savings account and you do not have an Overdraft Protection Line of Credit your transactions may be returned. **This is where our "Courtesy Pay" service would be beneficial but you must OPT-IN to this service in order to have it available, if you qualify.**

### **What is Courtesy Pay?**

Courtesy Pay is a service for qualifying members that allows us to pay certain checking account transactions when there are insufficient funds in your account or you do not have an Overdraft Protection Line of Credit. Courtesy Pay is an overdraft service that requires no action on your part for the following checking account transactions (checks, ACH debits and Bill Pay transactions). **You don't have to sign anything, unless you want this service available for ATM withdrawals and Debit Card transactions.** Then you must OPT-IN to this service by signing a form. This requirement is effective immediately on all NEW accounts and eff. 8-15-2010 on all existing accounts. Courtesy Pay provides an added layer of protection on eligible checking accounts to help members avoid the embarrassment of "bounced" checks, declined point of sale transactions and ATM withdrawals in times of emergency.

### **How does Courtesy Pay work?**

If your account is in good standing, and your other overdraft sources are not available, we will pay insufficient items up to \$300. Your checking account will be overdrawn by the amount that you exceeded your balance plus the amount of the Courtesy Pay fee.

## **What is the cost for Courtesy Pay?**

There is a \$20.00 fee assessed for each transaction that is paid via Courtesy Pay. (Non-return fee)

## **How long do I have to repay any Overdrawn Balance?**

You must make sufficient deposits to bring your account to an end of-day positive balance at least once every 30 calendar days (including the payment of all credit union fees and charges).

## **What else should I know about Courtesy Pay?**

Besser Credit Union will not overdraw an account more than \$300 using Courtesy Pay. The payment of a check, point of sale, Bill Payment, ACH transaction, debit card transactions or ATM withdrawal that results in an overdrawn balance **is at the sole discretion of Besser Credit Union.**

## **Do I have to sign up for Courtesy Pay?**

Currently, new members are automatically enrolled after they meet certain eligibility qualifications. These include but are not limited to:

- Your membership must be in good standing; and
- Your checking account must have been open for at least 30 days.

**However, under new federal regulations, beginning July 1, 2010, new members will not be eligible for Courtesy Pay on Debit transactions unless they “OPT-IN” to the program and existing members must “OPT-IN” by August, 15, 2010 to continue their eligibility for this service.**

## **What happens if I don't OPT-IN?**

**If you are making a purchase with your debit card and there are no available funds in your checking account, and your other overdraft sources are depleted, the transaction will be denied.** If you do not OPT-IN to this service you will no longer have an “off-line” limit attached to your account as well.

## **Why should I OPT-IN?**

At times, unanticipated expenses or unforeseen problems can leave you with too little cash in your checking account. Having a check returned or transaction denied due to insufficient funds can be costly, inconvenient and especially embarrassing experience. At Besser Credit Union, we do not encourage overdrafts. As always, we encourage you to manage your finances responsibly. However, we want to save you from the additional merchant fees and possible damage to your credit history that might result if a check is returned. Our Courtesy Pay program is designed to be a helpful service to help you avoid costly mistakes in your checking account. Think of the following scenarios:

- You are at the checkout counter of the grocery store and your total comes to \$300. Your account has a balance of \$285. If you “OPT-IN” to Courtesy Pay, this transaction could be approved.
- You and the family are at a restaurant having dinner. The total bill comes to over \$100. You only have \$85 in your checking account. If you haven’t opted in to Courtesy Pay, you’ll have to find another way to pay for your meal.

**OPTing IN to Courtesy Pay can help you avoid an embarrassing situation when your account balance is less than you anticipated.**

### **How do I OPT-IN?**

All we need is your written confirmation. There are a number of ways for you to OPT-IN.

- You may visit any Besser Credit Union location for a form.
- You can print & mail your form to P.O. Box 395, Alpena, MI 49707
- Opt-In notice available online by going to: [www.bessercu.com](http://www.bessercu.com) Courtesy Pay, OPT-IN notice.
- Contact our office at; 1-800-655-6508 and we will mail you one.

Regardless of how you choose to OPT-IN it will only take a few minutes.

### **Do I have to OPT-IN to Courtesy Pay for other transactions?**

The new federal regulations do not affect overdrafts or Courtesy Pay transactions involving checks, ACH, or bill pay transactions.

### **How do I opt-out of Courtesy Pay?**

You may OPT-OUT of Courtesy Pay for debit card transactions and ATM withdrawals at any time by giving us written, electronic or verbal notice. Once we receive your OPT-OUT instructions, debit card transactions that exceed the available balance in your checking account will be declined. You may also OPT-OUT of Courtesy Pay for checks and ACH transactions by giving us written, electronic or verbal instructions as well.

Once we receive your OPT-OUT instructions, any checks, ACH transactions, Bill Payments that are presented for payment will be returned unpaid. If you choose to notify us in writing, you may mail it to our call center at P.O. Box 395, Alpena, MI 49707 or in person at any Besser Credit Union location.

**The bottom line: Besser Credit Union always wants you to keep your checking account balanced in order to avoid overdrafts and fees of any kind altogether. Your first “line of defense” against overdrafts other than excess funds in your share account should be an Overdraft Protection Line of Credit. If you do not already have an Overdraft Line of Credit, establish one today. You can apply at any branch or call us at 1-800-655-6508. Finally, we recommend that you “OPT-IN” to Courtesy Pay for debit**

**transactions in order to avoid the embarrassment and hassle of being declined at a merchant.**

