



## What You Need to Know about Overdrafts and Overdraft Fees

*Federal Law requires Freedom Credit Union to receive authorization from Members who want to be considered for payment of overdrafts stemming from one-time debit card transactions (e.g., everyday purchases). Otherwise, the Credit Union may not pay these overdrafts.*

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. 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 options. All members that have a Share Draft Checking account are automatically set up with overdraft protection from their Primary Savings Account. If the member has an established Line of Credit, the Line of Credit may also be used as an overdraft option. Overdraft protection may be less expensive than our standard overdraft practices. To learn more, ask us about these options.

This notice explains our standard overdraft practices.

### **What are the standard overdraft practices that come with my account?**

We do authorize and pay overdrafts for the following types of transactions:

- Share drafts presented on the member's Share Draft Checking Account
- ACH transactions presented on the member's Share Draft Checking Account
- Check Card one-time debit transactions presented on the member's Share Draft Checking Account (members must opt-in for this feature)

We do not authorize and pay overdrafts on other types of transactions. For a full list of transactions for which overdraft would not apply, please read the Courtesy Pay Frequently Asked Questions at [www.FreedomCU.org](http://www.FreedomCU.org).

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 Freedom Credit Union pays my overdraft?**

- We will charge you a fee of up to \$30 each time we pay an overdraft
- There is no limit on the total fees we may charge you for overdrawing your account