



## FREQUENTLY ASKED QUESTIONS REGARDING OVERDRAFT

### 1. What is an overdraft?

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway.

### 2. What is a one-time debit card transaction?

A one-time debit card transaction is a transaction where the consumer uses a debit card at a point-of-sale (for example, at a merchant or a store), in an online transaction, or in a telephone transaction.

### 3. What is a recurring debit card transaction?

A recurring debit card transaction is a transaction in which the cardholder provides his/her debit card or debit card number to a merchant for payment of services that are provided on a regular basis.

Examples of this include using a debit card to pay for your utilities, cell phone, gym membership, and other types of regularly recurring services provided by the merchant.

### 4. What is Courtesy Pay?

A service under which the credit union assesses a fee or charge on a consumer's account for paying a transaction (including a check or other item) when the consumer has insufficient or unavailable funds in the account. We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. If you do not have a sufficient available balance in your consumer checking account or if you attempt a transaction that exceeds the ATM/debit card withdrawal limitations, we will decline ATM and/or debit card transactions.

### 5. What are alternative overdraft protection plans other than Courtesy Pay?

The Credit Union offers alternative overdraft services that protect consumers from overdrafts such as, an automatic transfer from another deposit account held or an automatic draw against a line of credit to bring the overdrawn account back to a zero balance or a pre-established minimum balance. Bridge Credit Union links your checking account to your primary share account, at no additional cost to you, as an alternative to Courtesy Pay. Any additional overdraft protection plans, may require the member to apply, enroll or authorize such services. Examples: Overdraft protection with additional savings accounts, lines of credit or credit cards.

### 6. Are fees charged for each item causing an overdraft?

*Yes, each presentment that causes an overdraft will be charged a \$33 fee.*

### 7. When do debit card transactions post to my account?

Bridge Credit Union does not post debit card transactions to your account until the merchant submits the transaction to us for payment. In rare circumstances – such as using your debit card online to buy an item that is back-ordered – the merchant could submit the transaction several weeks later. The timing can vary for debit card transactions from the very same day to several days later, based on merchant submission.

## **8. How does overdraft affect my Bridge Debit card?**

We use your Available Balance to determine when your account is overdrawn prior to assessing non-sufficient fees or Courtesy Pay Fees if you are opted into One-time Debit and ATM fees. The following is an example: Your Actual Balance and Available Balance are both \$100. You use your debit card for a \$70 purchase, the merchant requests an authorization, and a hold is placed on the \$70. Your Available Balance is now \$30. Your Actual Balance still shows as \$100. Before the merchant sends the transaction to us for payment, a \$35 check you wrote clears your checking account. Because you only have \$30 available when the check is presented, your account will be overdrawn by \$5, even though your Actual Balance shows \$100. In this case, we may pay the \$35 check, but you will be charged a Courtesy Pay fee, even though your Actual Balance exceeds the amount of the transaction. The fee will be deducted from your account, further reducing your Available Balance (to -\$38.00). When the merchant requests payment for the \$70 debit card transaction, your Available Balance no longer has sufficient funds to cover it. This will result in a Courtesy Pay fee for the \$70 transaction even though your Available Balance was sufficient at the time the authorization for the transaction was approved. **YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION YOU WANT TO MAKE.** Your Available Balance does not reflect your outstanding checks, automatic bill payments, or any other outstanding transactions that have not been paid from your account. These items will not be reflected in your Available Balance until presented to us and paid from your account. Holds on deposits may not be reflected, as described in our Funds Availability Policy.

## **9. In what order do transactions post and why it is important?**

When processing items drawn on your account, our policy is to pay them as we receive them. We commonly receive items to be processed against your account(s) multiple times per day in what is referred to as presentment files. Each presentment file received commonly contains a large amount of a specific type of item (Check, ACH, or ATM/POS). It is common for each of these presentment files to contain multiple items to be processed against your account. In this case, when multiple items are received at once, the items will be paid as follows: checks are paid in order of presentment. First in the file, is the first item that is posted; ACH items in each presentment file are posted in order of presentment, which is normally credits first, then debits paid, and generally we will receive up to four ACH presentment files per day; ATM/POS items are paid in the order they are presented. Items performed in person such as withdrawals or checks cashed at one of our locations or a shared branch, are generally paid at the time they are performed. **Why this is Important to You:** The order in which items are paid is important if there is not enough money in your account to pay all the items that are presented. Our payment policy may cause your larger, and perhaps more important, items to not be paid first (such as your rent or mortgage payment) but may reduce the amount of overdraft or NSF fees you must pay if funds are not available to pay all the items. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). Any item or transaction can be presented for payment multiple times, which is beyond the control of the Credit Union. Each presentment will be charged a separate overdraft fee even though it may be for a repeat presentment.

## 10. How can I avoid overdrafts?

**Write it down.** Know all the outstanding obligations you have and consistently write them down in your own personal transaction register. It doesn't matter whether you use an online tracking tool or a paper-based register. What does matter is that you faithfully record every deposit, withdrawal, and purchase in your register and keep a current, accurate record of the money you truly have available. Always consult your personal transaction record before making your next purchase or withdrawal.

Transaction Type	When the Credit Union knows	When you know
Checks	The amount is known only when presented for payment	When you write the check and record it in your check register
ATM	The amount is known at withdrawal	When you complete the withdrawal
Online Bill Pay	The amount will be deducted from your account on the "send on" date you specify	When you specify the amount and payment date in scheduling your bill payment
One-time point-of-sale debit card	The authorized amount is known at point-of-sale. Final amount known only when merchant submits the transaction for payment, typically within one to three days	When you see the final amount at the point-of-sale and make payment with your debit card
Preauthorized automatic debits	The amount is known only when presented for payment	When the final amount, payment method, and debit date is scheduled

**Additional tips to avoid overdrafts:**

- Keep a cushion in your account to cover payments that you may have forgotten to record in your personal transaction register.
- Setup account alerts to notify you by email or text when your balance goes below an amount you specify.
- Consider using our mobile app or text banking to monitor your balance while you're on the go.

**Additional things to keep in mind:**

- If you use your debit card to authorize an online purchase, be aware if the merchant notifies you that an item is on back-order. If so, the debit card you provide may not be charged until the item ships. This may be weeks later when you have forgotten about the purchase. Make a note of this purchase in your transaction register at the time of purchase.
- Using an online bill payment service may help you keep track of your payments. Rather than authorizing a company to “pull” money from your account on the due date, you “push” the money from your checking account and can determine if you have enough money before sending the payment.

*The Credit Union offers services, such as Online and mobile banking and text alerts, that help you monitor your available balance. Keep in mind that your available balance does not include transactions that we don't know about yet, for example checks you have just written or the car payment you just authorized. Only you know all the transactions that will affect the balance you have available for making that next payment.*

[Click Here for What You Need to Know About Overdraft and Overdraft Fees Your Bridge Credit Union Checking Account.](#)