

# OVERDRAFT PRIVILEGE

*A Special Service For Your Telco Checking Account*



**A**t times, unanticipated expenses or unforeseen problems can leave you with too little cash in your checking account. Having a check returned due to insufficient funds can be a costly, inconvenient and potentially embarrassing experience.

At Telco Community 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.

That's why we provide Overdraft Privilege, a special overdraft service for Telco Community Credit Union's members.



## What is Overdraft Privilege?

**Overdraft Privilege** is a discretionary overdraft service requiring no action on your part that provides you a safety net up to an automatically assigned overdraft limit.

Your Overdraft Privilege limit may be available for checks and other transactions made using your checking account number or automatic bill payment and recurring debit card payment. Also, at your request, we may authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your limit.

## What does my Overdraft Privilege Cost?

There is no additional cost associated with this privilege unless you use it. You will be charged our Courtesy Pay fee of \$25.00 for each overdrawn item created by a traditional paper-based check, a teller withdrawal, an automatic payment (ACH) transaction, or a recurring debit card payment. Also, if you have requested us to do so, we may authorize and cover ATM transfers or withdrawals and everyday debit card purchases. For example, three paid items in one day will result in \$75.00 in Courtesy Pay fees. To help you manage your account, the total fees you have paid for items (both paid and returned) during the current month and for the year-to-date will be reflected on your monthly checking statement.

## How does Overdraft Privilege work?

As long as you maintain your account in "good standing," we may approve your overdraft items within your current available Overdraft Privilege limit as a non-contractual courtesy.

For overdraft privilege consideration, your account is in "good standing" if you (1) deposit enough money to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all Telco Community Credit Union fees and charges); (2) avoid excessive overdrafts suggesting the use of Overdraft Privilege as a continuing line of credit; (3) there are no legal orders, levies or liens against your account or (4) there are no past due loans more than 15 days.

Please note that the amount of the overdraft plus our Courtesy Pay fee of \$25.00 for each item will be deducted from your overdraft limit. If the item is returned, the NSF Fee - Not Paid of \$25.00 will be deducted from your account. No interest will be charged on the overdraft balance. Please refer to the Overdraft Privilege Program Disclosure for additional details.

## How do I know when I use the overdraft limit?

You will receive an overdraft notice each time items are paid, including fees. You will need to subtract the total fees when balancing your checkbook.

## What is my Overdraft Privilege limit? If I have two checking accounts, can I get Overdraft Privilege on both?

The limit amounts offered are \$500 for a personal account, and \$750.00 for a business account. If you have multiple accounts for your household, you may have a limit on all eligible accounts.

## What if I go beyond my Overdraft Privilege limit?

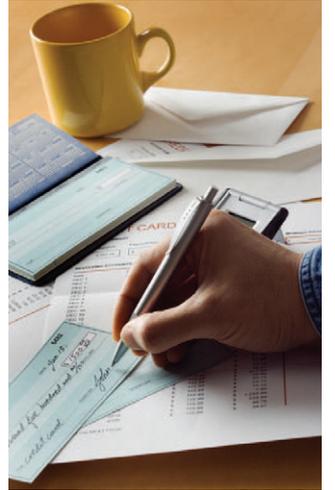
Overdrafts above and beyond your established Overdraft Privilege limit may result in checks or other items being returned to the payee. The NSF Fee - Not Paid of \$25.00 will be charged per item and assessed to your account. An OD/NSF notice will be sent to notify you of items paid and/or returned.

## How quickly must I repay my Overdraft Privilege?

You should make every attempt to bring your account to a positive end-of-day balance as soon as possible, and must do so within 30 calendar days. If you are not able to do so, you will receive a letter from Telco Community Credit Union informing you that your Overdraft Privilege limit has been suspended and additional items will be returned. If your limit is suspended, unless we notify you otherwise or you request this service be removed from your account, your limit will be made available to cover overdrafts again the first business day after you bring your account to a positive end-of-day balance.

## What if I am having trouble repaying my Overdraft Privilege or use it frequently?

Please contact us at 828-252-6458 if: (1) you do not believe you will be able to bring your account to a positive end-of-day balance within the required time period; (2) find that you are using Overdraft Privilege more often than you intend; or (3) don't understand why your account becomes



overdrawn. We would like to discuss your situation with you. Following regulatory guidance, we will contact you if you are paying multiple overdraft fees to discuss possible alternatives to Overdraft Privilege that may better meet your short term credit needs. In the event you ask us to stop contacting you because you have determined Overdraft Privilege is appropriate for your needs, we will honor your wishes. However, if we identify that the number and frequency of overdrafts increases materially for an extended period of time at some point after that, we may contact you again to ensure Overdraft Privilege is still the most appropriate option available to you for covering your short term credit needs.

### What are some of the ways I can access my Overdraft Privilege limit? Will my limit be reflected in the balance I receive?

The chart below shows the different ways you can access your Overdraft Privilege limit and indicates whether or not this limit will be reflected in the balance provided.

Access Points	Is my Overdraft Privilege limit available?	Does the balance provided reflect my Overdraft Privilege limit?
Teller	No	No
Writing a Check	Yes ***	N/A
Debit Card (recurring)	Yes	N/A
Debit Card (every day)	No **	N/A
ATM Withdrawal	No **	No
ACH - Auto Debit	Yes	N/A
Online Banking	No	No
Bill Pay	Yes	N/A
Telephone Banking	No	No

\*\* With the exception of business accounts, Overdraft Privilege service will be made available for ATM or everyday debit card transactions upon your request. Call 828-252-6458 or visit one of our branches to arrange for your ATM and debit card coverage.

\*\*\* Checks presented at the teller line cannot be negotiated using the Overdraft Privilege Program.

### How soon can I use my Overdraft Privilege?

If you are a new Member, we will advise you 30 or more days after your account is opened that you may use the overdraft privilege service. This is provided you have maintained satisfactory activity in the account, including regular deposits, consistent with our internal standards for new account types that may offer Overdraft Privilege. Once you are notified your Overdraft Privilege limit is available to you, it may continue to be available provided you maintain the account in “good standing” as defined in this brochure.

### What are some other ways I can cover overdrafts at Telco Community Credit Union?

The best way to avoid overdrafts and fees is to keep track of your account balance by entering all checks, debit card purchases and ATM withdrawals in your check register, reconcile your check book regularly and manage your finances responsibly. However, if a mistake occurs, Telco Community Credit Union offers additional ways to cover overdrafts in addition to Overdraft Privilege.

Ways to cover overdrafts at Telco Community Credit Union	Associated Fees
Good account management	\$0
Linked to savings account	\$0 Transfer fee*
Overdraft line of credit	15.0% APR*
Link to cash advance on credit card	\$0 Cash advance fee + 10.9% APR*
Overdraft Privilege	Courtesy Pay Fee of \$25.00 for each item

\* This information is effective as of August 2018 and is provided as examples. Please ask us about our current specific products, rates and fees. APR is the Annual Percentage Rate.

### What if I do not want to have Overdraft Privilege on my account?

If you would like to have this service removed from your account, please call 828-252-6458.

### Overdraft Privilege Member Policy

There are several ways your account can become overdrawn, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you; (3) the return of unpaid items deposited by you; (4) credit union service charges; or (5) the deposit of items which, according to the credit union's Funds Availability Policy, are treated as not yet available or finally paid.

While we are not obligated to pay any item presented for payment if your account does not contain enough money, as long as you maintain your account in “good standing,” we may approve your overdraft items within your current available Overdraft Privilege limit as a non-contractual courtesy. For overdraft privilege consideration, your account is in “good standing” if you (1) deposit enough money to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all credit union fees and charges); (2) avoid excessive overdrafts suggesting the use of Overdraft Privilege as a continuing line of credit; (3) have no legal orders, levies or liens against your account and (4) have no past due loans over 15 days.

In the normal course of business, we generally pay electronic transactions first and then checks low to high, per the credit union's policy. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, please be aware that the order we pay your items in may create multiple overdraft items in a single banking day and you will be charged our Courtesy Pay fee of \$25.00 for each overdraft item paid.

You may opt out of the privilege at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account. So as not to exceed your limit, please note that the amount of the overdraft plus the credit union's Courtesy Pay fee of \$25.00 per item will be deducted from the overdraft limit.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in good standing as defined above, or, if based upon our review of your account management, we determine that you are using Overdraft Privilege excessively or seem to be using Overdraft Privilege as a regular line of credit. You will be charged a NSF Fee – Not Paid of \$25.00 for each item returned.

We will notify you promptly of any non-sufficient funds items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdraft including our Courtesy Pay fee of \$25.00 and/or a NSF Fee – Not Paid of \$25.00 that you owe us is due and payable upon demand. Even if we do not ask you for payment, you must repay us, no later than 30 calendar days after the creation of the overdraft. If there is an overdraft on an account with more than one owner on the signature card, each owner and agent, if applicable, is jointly and severally liable for all overdrafts including all fees charged.

Overdraft Privilege should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconcile your check book regularly, and manage your finances responsibly. If you would like to have this service removed from your account, please call 828-252-6458.

Please note that your Overdraft Privilege limit may be available for each item paid under the limit created by checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic payment (ACH) transaction, or automatic bill payment and recurring debit card payment. Except for business account, if you specifically request us to do so, you may opt-out of overdraft coverage at the ATM and for everyday debit card transactions by calling 828-252-6458, or stop by one of our branches. When you ask for your account balance, please remember the amount we show you does not include your overdraft limit.

**LIMITATIONS:** Overdraft Privilege is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or business use. Telco Community Credit Union reserves the right to limit participation to one account per household or business and to suspend, revoke, or discontinue this service without prior notice. If your limit is suspended, unless we notify you otherwise or you request this service be removed from your account, your limit will be made available to cover overdrafts again the first business day after you bring your account to a positive end-of-day balance.



Connecting Families & Building Futures

Main Office:  
712 New Leicester Highway  
Asheville, NC 28806

To find a branch near you,

Call: 828-252-6458  
Look Online: [www.TELCOccu.org](http://www.TELCOccu.org)

