

## Overdraft Disclosure

An overdraft occurs when (a) there is not enough money in the **Available Balance** in your checking account at the time a transaction is presented to Broadview Federal Credit Union for payment or authorization OR (b) there is not enough money in the **Current Balance** in your checking account at the time a transaction is “posted” to your account, but in either case Broadview pays the transaction anyway.

As stated above, your checking account has two kinds of balances: the **Current Balance** and the **Available Balance**. Both can be checked when you review your account online, at an ATM, by phone, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. Here is an explanation of **Current** and **Available Balances** and how they work.

Your **Current Balance** is the full amount of all deposits to your account, even though some portion of a deposit may not be available to you or may be pending receipt of funds from a third party, minus payment transactions that have actually been presented to us for payment and have “posted” to your account. It does not, however, include preauthorized commitments to pay merchants that are pending settlement (i.e., have not yet been paid or posted to your account), nor all or portions of checks or other deposits that have not yet posted. Thus, while the term “current” may sound as though the amount you see is an up-to-date display of what is in your account that you can spend, that is not always the case.

**Available Balance** is the amount of money in your account that is immediately available for use. It is the **Current Balance** minus holds placed on deposits and minus debit card payment commitments that have been authorized but that have not yet posted to your account, and other holds on funds, such as a garnishment.

Broadview uses the **Available Balance** at the time check and ACH transactions are presented to determine whether

the transaction will be paid. Broadview uses the **Current Balance** in your account at the time check and ACH transactions are presented/posted to determine if a fee will be assessed.

Broadview uses the **Available Balance** at the time debit card transactions are initiated to determine whether the transaction will be authorized. Broadview uses the **Current Balance** in your account at the time the authorized debit card transaction is posted to determine whether there is an overdraft and if a fee will be assessed.

The following example illustrates how this works:

Assume both your **Current Balance** and **Available Balance** are \$100, and you swipe your debit card at a restaurant for \$80. The restaurant may ask Broadview to authorize the payment. If it is authorized, then your **Available Balance** will be reduced by \$80 so your **Available Balance** is only \$20. Your **Current Balance** is still \$100. Before the restaurant charge is sent to us for posting, a check that you wrote for \$110 is presented. Because you have only \$20 in your **Available Balance** (you have committed to pay the restaurant \$80), your check will be returned unpaid. Since the check amount of \$110 was more than your **Current Balance** of \$100, an insufficient funds fee of \$28 will be charged resulting in a **Current Balance** of \$72 and an **Available Balance** of -\$8. Later, when the \$80 restaurant charge is presented and posted to your account, you will not have enough money in your **Current Balance** because of the intervening check. Broadview is obligated to pay the restaurant charge because it was authorized. However, Broadview will not charge an overdraft fee for the restaurant charge even though your **Current Balance** is insufficient when the restaurant payment is posted to your account because there was enough money in your **Available Balance** when the transaction was authorized.

It is very important to understand that you may still overdraw your account even though the **Available Balance** and **Current Balance** appear to show there are sufficient funds to cover a transaction that you want to make. This is because your balances may not reflect all your outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account. In the example above, the outstanding check will not be reflected in your **Available** or **Current Balances**.

In addition, your **Available Balance** may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or 2 hours for certain automated fuel dispenser transactions, or up to thirty (30) business days for certain types of debit card transactions), we must release the authorization hold on the transaction. The **Available Balance** will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account.

**Broadview is not under any obligation to pay overdrafts, except debit card transactions that are authorized for payment.** Broadview's Premium Overdraft is a discretionary service automatically available to members who maintain their checking account in good standing and in a responsible manner, providing overdraft coverage to prevent items/transactions from being returned or declined. Premium Overdraft provides automatic discretionary coverage for checks, ACH debit transactions, and recurring debit card transactions. However, this coverage can be expanded to include one-time debit card and ATM transactions by opting in. Alternatively, you can also decline all overdraft coverage, in which case your transaction will be declined and merchant fees may be incurred.

You may change your election and opt out, or opt in, at any time by contacting Broadview at 800-727-3328, stopping by any of our branches or going online at **[www.broadviewfcu.com/overdraftoptions](http://www.broadviewfcu.com/overdraftoptions)**

Each checking account protected by Premium Overdraft has a dynamic overdraft limit that determines the maximum amount of overdraft protection that is available. The dynamic overdraft limit is a customized amount based on factors such as how long an account has been open,

as well as the amount and frequency of deposits into the account. Therefore, your overdraft limit may change based on your daily account activity.

Both the item(s) presented and the associated overdraft fee(s) are subtracted from the dynamic limit, which may result in your account becoming overdrawn in excess of your dynamic limit.

If you opt in to **expand your overdraft coverage to include one-time debit card and ATM transactions** we may at our discretion authorize debit card transactions when you do not have sufficient funds in the **Available Balance** of your checking account at the time your debit card is presented to a merchant for authorization. If the transaction is authorized, then we are required to pay it at the time it is posted to your account, which could be days later, regardless of the **Current Balance** at that time.

While there is no fee to have Premium Overdraft coverage, when we pay overdraft items for you, you may be charged our normal Insufficient Funds Fee as stated in the Broadview Fee Schedule. There is no limit to the total fees we can charge you for overdrawing your account.

If we reject a check or ACH payment, and it is presented for payment again, you may be assessed another fee as disclosed in the fee schedule, each time the payment is presented.

Checks and other items are paid in the order in which they are received.