



OVERDRAFT COVERAGE OPTIONS: OVERDRAFT TRANSFER, OVERDRAFT LINE OF CREDIT LOAN, AND COURTESY PAY COVERAGE FOR UNEXPECTED OVERDRAFTS

Life happens! Penn East Federal Credit Union understands that unexpected overdrafts occur from time to time – Overdraft Coverage can help.

WHAT ARE MY OVERDRAFT COVERAGE OPTIONS?

The choice is yours. Consider these ways to cover overdrafts:

Overdraft Transfer*	\$4 fee per transfer (Advantage and Premier Checking no charge)
Overdraft Line of Credit Loan*	Subject to interest**
Courtesy Pay	\$29 per item

**Contact us at (570) 342-2720, Send a secured message through Online Banking, or come by a branch to sign up or apply for these services. **Subject to credit approval.*

WHAT IS OVERDRAFT TRANSFER AND OVERDRAFT LINE OF CREDIT LOAN?

Overdraft Transfer and an Overdraft Line of Credit Loan applies to all types of transactions and may help protect your account from being overdrawn by automatically transferring funds to your checking account from another account or line of credit you may have at Penn East Federal Credit Union, for a fee or finance charge. Please note that overdraft lines of credit are subject to credit approval.

WHAT IS COURTESY PAY?

Courtesy Pay allows you to overdraw your account up to the disclosed limit for a fee to pay a transaction.

Penn East Federal Credit Union may provide you a specific Courtesy Pay limit depending on the type of account you have. New consumer accounts may receive \$100 Courtesy Pay limit at account opening, which can increase to \$500 Courtesy Pay limit after 30 days in good standing. New Business accounts will receive a \$750 Courtesy Pay limit after 30 days in good standing.

Even if you have Overdraft Transfer and/or an Overdraft Line of Credit Loan, Courtesy Pay is still available as secondary coverage if the other protection sources are exhausted.

Please be aware that the Courtesy Pay amount is not included in your available balance displayed through online banking, mobile banking, telephone banking, or Penn East Federal Credit Union ATMs.

WHAT TYPES OF TRANSACTIONS DOES COURTESY PAY COVER?

The types of transactions covered by Courtesy Pay depend on the coverage selected. See the chart below for more information.

If you choose Extended Coverage, all the transaction types listed in Standard Coverage are included, along with ATM transactions and everyday debit card transactions. Penn East Federal Credit Union will not authorize



overdrafts for everyday debit card and ATM transactions on consumer accounts unless you give us your consent to pay these overdrafts by electing Extended Coverage. Business accounts automatically have Courtesy Pay Extended Coverage.

	Standard Coverage (No action required)	Extended Coverage (Your consent required*)
Checks	X	X
ACH – Automatic Debits	X	X
Recurring Debit Card Payments	X	X
Online Bill Pay Items	X	X
Telephone Banking	X	X
At the Teller Window	X	X
ATM Transactions		X*
Everyday Debit Card Transactions		X*

HOW MUCH DOES COURTESY PAY COST?

When Courtesy Pay is used, the Courtesy Pay Fee of \$29 will be imposed for overdrafts created by checks, ACH, point-of-sale, ATM transactions, in-person withdrawals, or by other electronic means if your account is overdrawn. If your consumer account is overdrawn the Courtesy Pay Fee is \$29. If the amount of an item on your consumer account is \$1 or less, a Courtesy Pay Fee will not be charged. If multiple items overdraw your account on the same day, not to exceed \$87 (3 charges) per day, each item will be assessed the appropriate fee. This is the same fee that Penn East Federal Credit Union charges for items returned to the payee due to insufficient funds.

If an item is returned because the available balance in your account is not sufficient to cover the item and the item is presented for payment again, Penn East Federal Credit Union will charge a return item fee each time it returns the item because it exceeds the available balance in your account. If, on representation of the item, the available balance in your account is sufficient to cover the item Penn East Federal Credit Union may pay the item, and, if payment causes an overdraft, charge a courtesy pay fee.

The maximum amount of Courtesy Pay Fees that we will charge to your consumer account is \$87 per day. We will not charge a Courtesy Pay Fee if the amount of the item is \$1 or less.

All fees and charges will be included as part of the Courtesy Pay limit amount. Your account may become overdrawn in excess of the Courtesy Pay limit amount as a result of the assessment of a fee. The total negative balance, including all fees and charges, is due and payable upon demand. Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Agreements and Disclosures.

WHAT IF I DON'T WANT COURTESY PAY?

You can request to discontinue Courtesy Pay service in its entirety at any time by contacting us at (570) 342-2720 or Send a secured message through Online Banking. Without Courtesy Pay, your insufficient funds items will be returned to the payee and/or declined at the point of purchase, unless you have Overdraft Transfer or Overdraft Line of Credit Loan available to cover the item(s). You will be charged the standard NSF Fee of \$29 for all returned items.



WHAT IF I WANT PENN EAST FCU TO PAY MY ATM AND EVERYDAY DEBIT CARD OVERDRAFTS (EXTENDED COVERAGE)?

If you want us to authorize and pay overdrafts caused by ATM and everyday debit card transactions (Extended Coverage), tell us by using one of the methods below.

- Call us at (570) 342-2720
- Visit our website at www.penneastfcu.org
- Visit one of our convenient branch locations
- Complete the Consent Form, which is available at any branch and was previously provided to you, and mail it to us at 851 Commerce Blvd. Dickson City, PA 18519
- Send a secured message through Online Banking
- NOTE: Business accounts automatically have access to Courtesy Pay for ATM and everyday debit card transactions (Extended Coverage).

WHAT ELSE DO I NEED TO KNOW?

- Our general policy is to post items throughout the day and to post credits before debits. ACH and Checking items are posted in the order they are received from the FED. ATM and debit card transactions are posted throughout the day. However, because of the many ways we allow you to access your account, the posting order of individual items may differ from these general policies. Holds on funds (described herein) and the order in which transactions are posted may impact the total amount of Courtesy Pay Fees or NSF Fees assessed.
- A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts.
- Although under payment system rules, Penn East Federal Credit Union may be obligated to pay some unauthorized debit card transactions, Penn East Federal Credit Union will not authorize debit card or ATM transactions unless your account's available balance (including overdraft coverage options) is sufficient to cover the transactions and the amount of any fee(s).
- Giving us your consent to pay everyday debit card and ATM overdrafts on your consumer account (Extended Coverage) may result in you incurring Courtesy Pay Fees for transactions that we would otherwise be required to pay without assessing a Courtesy Pay Fee. However, this would allow us to authorize transactions up to the amount of your Courtesy Pay limit and may also help you avoid overdrafts in excess of your available balance that could result in suspension of your debit card. If you consent to Extended Coverage on your consumer account, it will remain on your account until it is otherwise withdrawn.
- Penn East Federal Credit Union authorizes and pays transactions using the available balance in your account. Penn East Federal Credit Union may place a hold on deposited funds in accordance with our Agreements and Disclosures, which will reduce the amount in your available balance. The available balance for checks, ACH items, and recurring debit card transactions is comprised of the ledger balance, less any holds on deposited funds and any debit card holds, plus the amount of the Courtesy Pay limit and any available Overdraft Transfer and/or Overdraft Line of Credit Loan. The available balance for ATM and everyday debit card transactions on accounts with Standard Coverage is the ledger balance, less any holds on deposited funds and any debit card holds, plus any available Overdraft Transfer and/or Overdraft Line of Credit Loan, but does NOT include the Courtesy Pay Limit. For accounts with Extended Coverage, the Courtesy Pay Limit is included in the available balance for authorizing ATM and everyday debit card transactions.
- Penn East Federal Credit Union will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction. When the hold ends, the funds will be added to the available balance in your account. If your account is overdrawn after the held funds are

added to the available balance and the transaction is posted to the available balance, a Courtesy Pay Fee may be assessed.

- Except as described in this packet Penn East Federal Credit Union will not pay items if the available balance in your account (including the Courtesy Pay limit, if applicable) is not sufficient to cover the item(s) and the amount of any fee(s).
- Penn East Federal Credit Union may suspend your debit card use if you incur overdrafts in excess of the available balance in your account including any Courtesy Pay limit (as described in this packet). Debit cards on your account will remain suspended until you make sufficient deposits so that your available balance, taking into account any Courtesy Pay limit, is positive and then you contact us.
- Penn East Federal Credit Union may also suspend your debit card if your account is overdrawn more than 30 consecutive calendar days. Debit cards on your account will remain suspended until you make sufficient deposits so that your account balance is positive.
- If your debit card(s) is suspended, you will be unable to use your debit card(s) associated with your account for purchases or access any of your accounts associated with your debit cards at the ATM for balance inquires, deposits, or withdrawals while your debit card is suspended. If you use your debit card for recurring payments, e.g., utilities, you are responsible to make other arrangements for your recurring debit payment(s).
- Courtesy Pay is not a line of credit; it is a discretionary overdraft service that can be revoked at any time without prior notice.
- Courtesy Pay may be suspended if you default on any loan or other obligation to us, your account becomes subject to any legal or administrative order or levy, or if you fail to maintain your account in good standing by not bringing your account to a positive balance within 30 days for a minimum of one full calendar day. You must bring your account balance positive for at least one full calendar day to have the full Courtesy Pay limit reinstated.

OVERDRAFT TRANSFER, OVERDRAFT LINE OF CREDIT LOAN, AND COURTESY PAY SUMMARY

- Overdraft Transfer and Overdraft Line of Credit Loan services allow you to link other sources you have with Penn East Federal Credit Union to your checking account to prevent overdrafts and may be less expensive options than an overdraft.
- Courtesy Pay allows you to overdraw your account for a fee of \$29 to pay a transaction if your balance is overdrawn. If the amount of an item on your consumer account is \$1 or less, a Courtesy Pay Fee will not be charged.
- Courtesy Pay limits up to \$100 may be granted to eligible consumer checking accounts at account opening, which can increase to \$500 Courtesy Pay limit after 30 days in good standing.
- Courtesy Pay limits up to \$750 will be granted to eligible Business accounts opened at least 30 days in good standing.
- Courtesy Pay Standard Coverage covers checks, ACH transactions (automatic debits), online bill items, teller window transactions, telephone and online banking transactions, and recurring debit card transactions (automatic/pre-authorized debits that you establish (insurance premiums, utility bills, etc.)).
- Courtesy Pay Extended Coverage covers ATM transactions and everyday debit card transactions on your personal accounts with your prior consent, in addition to those transactions covered by Courtesy Pay Standard Coverage. Business accounts automatically have Courtesy Pay Extended Coverage.
- Overdraft Transfer, Overdraft Line of Credit Loan, and Courtesy Pay may enable you to avoid expensive merchant returned-check charges.
- Overdraft Transfer, Overdraft Line of Credit Loan, and Courtesy Pay may enable you to avoid having your ATM or debit card transactions declined due to insufficient funds.
- You must deposit the full amount of the overdraft within 30 consecutive calendar days, including any fees assessed, and maintain a positive balance for at least one full calendar day to continue to receive the full Courtesy Pay limit.



- Good account management is the best way to avoid overdrafts. Use our mobile banking, online banking, or telephone banking services to help keep track of your balance.
- For additional financial education resources, please visit our website at www.penneastfcu.org or <https://ncua.gov/consumers/financial-literacy-resources>.

If you have questions about Overdraft Transfer, Overdraft Line of Credit Loan, or Courtesy Pay, please call us at (570) 342-2720.

Penn East FCU Branch Locations:		
Scranton Office:	441 N. 7 th Ave	Scranton, PA 18503
Clarks Summit Office:	1070 Northern Blvd	Clarks Summit, PA 18411
Davis Street Office:	720 Davis St	Scranton, PA 18505
Tunkhannock Office:	12 East Tioga St	Tunkhannock, PA 18657
Factoryville Office:	10 College Ave	Factoryville, PA 18419
PEFCU Corporate Center:	851 Commerce Blvd	Dickson City, PA 18519
Call Center	570-342-2720	
Fax	570-342-4669	

What you need to know about overdrafts and overdraft fees

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 plans, such as a link to another account or a line of credit, which may be less costly than our standard overdraft practices. To learn more, ask us about these plans.

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:

- Checks and other transactions made using your checking account number
- Automatic bill payments

We will not authorize and pay overdrafts for the following types of transactions without your consent

- ATM transactions
- Everyday debit card transactions

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay for 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 Penn East Federal Credit Union pays my overdraft?

Under our standard overdraft practices:

- We will charge you a fee of up to **\$29** each time we pay an overdraft if your account is overdrawn
- We will not charge you a fee if the item presented is \$1 or less
- **There is a limit** of \$87 per day on the total fees we can charge you for overdrawing your account

What if I want Penn East Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call (570) 342-2720, visit our website at www.penneastfcu.org, send a secured message through Online Banking, complete the form below and present it at a branch or mail it to: 851 Commerce Blvd. Dickson City, PA 18519. You can revoke your authorization for Penn East Federal Credit Union to pay these overdrafts at any time by any of the above methods. Your revocation must include both your name and your account number so that we can properly identify your account.

_____ **I do not** want Penn East Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

_____ **I want** Penn East Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____

Date: _____

Account Number: _____

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