



What You Need to Know about Overdrafts and Overdraft Fees

An overdraft occurs when the available balance in your account is insufficient to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have a standard overdraft program (our Courtesy Pay Program) that comes with your account.
2. We also offer overdraft protection plans, such as a link to a savings account or to an overdraft line of credit, which may be less expensive than our Courtesy Pay Program. To learn more, ask us about these plans.

This notice explains our Courtesy Pay Program.

What is the Courtesy Pay Program that comes with my account?

We do authorize and pay overdrafts for the following types of transactions, after your account has been opened for 90 days and in good standing:

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

We do not authorize and pay overdrafts for the following types of transactions, unless you ask us to:

- 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 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 Michigan Legacy Credit Union pays my overdraft?

Under our standard Courtesy Pay Program:

- We will charge you a fee of \$30.00 each time we pay an overdraft.
- There is no per day limit on the total fees we can charge you for overdrawing your account.

What if I want MLCU to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you also want MLCU to authorize and pay overdrafts on ATM and everyday debit card transactions, you can drop off the completed form to any Michigan Legacy Credit Union branch location or mail the completed form to: Michigan Legacy Credit Union, 31130 Ryan Rd., Warren, MI 48092.

 I want MLCU to authorize and pay overdrafts for my ATM and everyday debit card transactions.

Printed Name : _____

Date: _____ Account Number: _____



Additional Explanation of Overdraft Coverage (Courtesy Pay)

Your Right to Request Overdraft Coverage

Michigan Legacy Credit Union may not pay your overdrafts for ATM withdrawals and everyday debit card transactions you make at a store, online, or by telephone, unless you request overdraft coverage for these transactions. Even if you do not request overdraft coverage for ATM withdrawals and everyday debit card transactions, MLCU may still pay your overdraft for other types of transactions, including checks, ACH, recurring debit card transactions, and bill payments. Having overdraft coverage does not guarantee that MLCU will pay your overdrafts. If MLCU decides to pay an overdraft, you will be charged fees as disclosed to you.

Other Overdraft Coverage

MLCU offers other ways of covering your overdrafts that may be less expensive, such as linking your account to another account with us or an overdraft line of credit. Contact us to learn more about these options.

How to Request Overdraft Coverage or Get More Information

To request overdraft coverage for your ATM withdrawals and everyday debit card transactions:

- Complete the provided form and mail it to us at: 31130 Ryan Rd, Warren, MI 48092

For information about other alternatives Michigan Legacy Credit Union offers for covering overdrafts:

- Contact us at 248-334-0568
- Contact us at memberservices@michiganlegacycu.org

Additional Information on MLCU's Use of Available Balance

MLCU pays items received with your **Available Balance** for your Checking Account at the time the transaction is presented. The Available Balance is the balance shown on our books ("Ledger Balance") reduced by (i) the amount of any holds in place with respect to deposited checks or other items, (ii) the amount in the account that is subject to any preauthorization requests related to the account that have been accepted by the Credit Union, (iii) amounts in the account that are subject to holds based on court, tax agency, or other governmental proceedings, and (iv) amounts that we believe are subject to a dispute over ownership or other rights. Note that the use of the Available Balance for these purposes may cause a fee related to an overdraft to be charged, or a line of credit advance or transfer from another account to be made, even though your periodic statement may not reflect any time when the balance (periodic statements use Ledger Balances) would be negative.

Example of Available Balance

If your ledger balance and available balance are both \$100 and you swipe your debit card at a restaurant for \$35, the merchant could ask MLCU to preauthorize the payment. MLCU would place an "authorization hold" on your account for \$35. Your ledger balance is still \$100 because the debit card transaction has not yet posted to your account; however, your available balance would be \$65 because you have already authorized the \$35 payment to the restaurant. When the restaurant submits the transaction for payment (which could be a few days later and could be for a different amount if you have added a tip), MLCU will post the transaction to your account and your ledger balance will be reduced.

You can review both your ledger and available balances when you review your account online, at an ATM, by phone or at a branch. The best way to know how much money you have available (including all prior checks and debit card authorizations) is to record and track all of your transactions closely.