



Overdraft Coverage Options: Overdraft Transfer and Balance Protection

USC Credit Union understands that unexpected overdrafts occur from time to time. Overdraft Coverage can help.

OVERDRAFT COVERAGE OPTIONS

The choice is yours. Good account management is the best way to avoid overdrafts.

Consider these ways to cover overdrafts in your checking account:

Service	Cost
Overdraft Transfer linked to a qualified savings account you have at USC Credit Union ¹	\$3 fee per transfer
Overdraft Transfer Line of Credit ^{1, 2}	Subject to fees + interest; Consumer accounts only
Balance Protection Standard or Extended Coverage	\$14 overdraft coverage fee per item presented*

¹Login to your online banking, visit a branch, or call us at 877-670-5860 to enroll or apply for these options; ²Subject to credit approval.

***Per item presented means each time an item is presented, including re-presentment.**

Overdraft Transfer applies to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from a qualified savings account you have at USC Credit Union for a fee.

Overdraft Transfer Line of Credit applies to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from a line of credit you have at USC Credit Union for a fee and finance charge. Please note that overdraft lines of credit are subject to credit approval.

Balance Protection allows you to overdraw your account up to the disclosed limit for a fee to pay a transaction. Even if you have Overdraft Transfer, Balance Protection is still available as secondary coverage if the other protection source is exhausted. Please review **What Else You Should Know** for other important information.

Transactions Covered with Balance Protection	Standard Coverage (No action required)	Extended Coverage (Your consent required on consumer accounts)*	If you would like to select Extended Coverage for future transactions:
Checks	X	X	<ul style="list-style-type: none">complete the Balance Protection form found at usccreditunion.org/forms/visit a branchcall us at 877-670-5860
ACH - Automatic Debits	X	X	
Recurring Debit Card Transactions	X	X	
Online Bill Pay Items	X	X	
Everyday Debit Card Transactions		X*	

*If you choose Extended Coverage on your consumer account, **everyday debit card transactions** will be included with the transactions listed under Standard Coverage. If you already have Balance Protection Extended Coverage, it is not necessary to request it again. Business accounts automatically have Extended Coverage.

If you want to discontinue Balance Protection in its entirety, visit a branch or contact us at 877-670-5860.



What Else You Should Know

- Linking to another account or line of credit may be less expensive than an overdraft. A single larger overdraft will result in one fee, instead of multiple smaller overdrafts. Use our mobile, online, and telephone banking services to track your balance. For financial education resources, please visit usccreditunion.kofetime.com/ or www.mymoney.gov.
- The \$14 Overdraft Coverage Fee that is charged if you overdraw your account is the same fee that is charged if an item is returned as unpaid. If multiple items overdraw your account on the same day, each item will be assessed an appropriate Overdraft Coverage Fee or a Non-Sufficient Funds Fee of \$14. Overdraft Coverage Fees and Non-Sufficient Funds Fees may be posted during business hours, but will be posted no later than the close of each business day. These fees may be counted towards the Balance Protection limit total. Your account may become overdrawn more than the Balance Protection limit amount because of a fee.
- **There is a limit** of 4 Overdraft Coverage Fees and/or Non-Sufficient Funds Fees (\$56) per day we will charge you for overdrawing your account. We will not charge an Overdraft Coverage Fee if an account is overdrawn by \$10 or less.
- Recipients of federal or state benefits payments who do not wish us to deduct the amount overdrawn and the Overdraft Coverage Fee from funds that you deposit or that are deposited into your account may call us at 877-670-5860 to discontinue Balance Protection.
- If an item is returned because the Available Balance (as defined below) in your account is not sufficient to cover the item and the item is presented for payment again, USC Credit Union ("We") may charge a Non-Sufficient Funds Fee each time we return the item because it exceeds the Available Balance in your account. Because we may charge a Non-Sufficient Funds Fee each time an item is presented, **we may charge you more than one fee for any given item as a result of a returned item and re-presentation of the item.** When we charge a Non-Sufficient Funds Fee, the charge reduces the Available Balance in your account and may put your account into (or further into) overdraft. If, on re-presentation of the item, the Available Balance in your account is sufficient to cover the item we may pay the item, and, if payment causes an overdraft, charge an Overdraft Coverage Fee. We may use the terms "item" and "transaction" interchangeably.
- This describes the posting order for purposes of determining overdrafts. Our general policy is to post items throughout the day. Some items are received by us individually and others are received in batches at various times each business day. ATM withdrawals, point-of-sale (POS) transactions, and teller transactions are posted individually as they are received. Checks, ACH, and debit card transactions are batch posted in the order in which they are received; 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 Overdraft Coverage Fees or Non-Sufficient Funds Fees assessed.
- Balance Protection is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Consumer Account Agreement & Truth-In-Savings Disclosure and Business Account Agreement. The total (negative) balance, including all fees and charges, is due and payable upon demand.
- We may be obligated to pay for some debit card transactions that are not authorized through the payment system but which we are required to pay due to the payment system rules, and as a result you may incur fees if such transactions overdraw your account. However, we will not authorize debit card transactions unless your account's Available Balance (including Overdraft Coverage Options) is sufficient to cover the transactions and any fee(s).
- Giving us your consent to pay everyday debit card overdrafts on your consumer account (Extended Coverage) may result in you incurring Overdraft Coverage Fees for transactions that we would otherwise be required to pay without assessing an Overdraft Coverage Fee. However, this would allow us to authorize transactions up to the amount of your Balance Protection limit. If you consent to Extended Coverage on your consumer account, it will remain on your account until it is otherwise withdrawn. Please note that it will take up to 3 business days for your decision to become effective.



Understanding your Available Balance: Your account has two kinds of balances: the Actual Balance and the Available Balance.

- We authorize and pay transactions using the Available Balance.
- Your Actual Balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending.
- Your Available Balance is the amount available to you to use for purchases, withdrawals, or to cover transactions. The Available Balance is your Actual Balance, less any holds due to pending debit card transactions and holds on deposited funds.
- The balance used for authorizing checks, ACH items, and recurring debit card transactions is your Available Balance plus the amount of the Balance Protection limit and any available Overdraft Transfer.
- The balance used for authorizing everyday debit card transactions on accounts with **Standard Coverage** is your Available Balance plus any available Overdraft Transfer but does NOT include the Balance Protection limit.
- The balance used for authorizing everyday debit card transactions on accounts with **Extended Coverage** is your Available Balance plus any available Overdraft Transfer and includes the Balance Protection limit.
- Because your Available Balance reflects pending transactions and debit holds, your balance may appear to cover a transaction but later upon settlement it may not be sufficient to cover such transaction. In such cases, the transaction may further overdraw your account and be subject to additional overdraft fees. You should assume that any item which would overdraw your account based on your Available Balance may create an overdraft. Note that we may place a hold on deposited funds in accordance with our Consumer Account Agreement & Truth-In-Savings Disclosure and Business Account Agreement, which will reduce the amount in your Available Balance.
- Please be aware that the Balance Protection amount is not included in your Available Balance provided through online banking, mobile banking or USC Credit Union's ATMs.
- We 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, an Overdraft Coverage Fee may be assessed.
- Except as described herein, we will not pay items if the Available Balance in your account (including the Balance Protection limit, if applicable) is not sufficient to cover the item(s) and the amount of any fee(s).

Understanding Balance Protection Limits

- New eligible consumer checking accounts may receive a \$50 Initial Balance Protection limit at account opening that will be increased to \$300 after 90 days in good standing. This limit will be increased to \$500 if you have a direct deposit and a combined average balance, with all your deposit accounts, of \$1,500 or more on a monthly basis. Once your checking account has been open greater than 2 years, your Balance Protection limit will be \$500. If you have a direct deposit and a combined average balance, between all your deposit accounts, of \$2,500 or more on a monthly basis, your limit will be increased to \$750.
- New eligible business checking accounts may receive a \$50 Initial Balance Protection limit at account opening that will be increased to \$300 after 90 days in good standing. This limit will be increased to \$500 if you have a direct deposit or a combined average balance, with all your deposit accounts, of \$1,500 or more on a monthly basis. Once your checking account has been open greater than 2 years, your Balance Protection limit will be \$500. If you have a direct deposit or a combined average balance, between all your deposit accounts, of \$5,000 or more on a monthly basis, your limit will be increased to \$750.
- Balance Protection may be reduced 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 32 days for a minimum of one business day. You must bring your account balance positive for at least one business day to have the full Balance Protection limit reinstated.

If you have any questions about Overdraft Transfer or Balance Protection, please visit a branch or call us at 877-670-5860.



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 Transfer 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.

- 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 USC Credit Union pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of up to **\$14** each time we pay an overdraft if your account is overdrawn more than \$10
- We will not charge you a fee if your account is overdrawn by \$10 or less on any given day
- **There is a limit of \$56** per day on the total fees we can charge you for overdrawing your account

- **What if I want USC Credit Union to authorize and pay overdrafts on my everyday debit card transactions?**

If you want us to authorize and pay overdrafts on everyday debit card transactions:

- Complete the Balance Protection form found at www.usccreditunion.org/forms/
- Visit a branch
- Call 877-670-5860

You can revoke your authorization for USC Credit Union to pay these overdrafts at any time by any of the above methods. Your revocation must include both your name and the last 4 digits of your account number so that we can properly identify your account.