

## Overdraft Agreement

This Overdraft Agreement ("Agreement") describes the circumstances when we (the credit union) will pay overdrafts in your checking account and charge you a fee. "Overdraft" means there is not enough funds in your actual balance to pay for a transaction. If we pay for an overdraft, we will charge a fee. The fee is described in our Fee Schedule, which is updated periodically.

Please note that for ATM and one-time debit card transactions, you must affirmatively consent to this coverage. Without your consent, we may not authorize ATM withdrawals or authorize one-time debit card transactions that will result in a negative available balance in your account.

The following is important information regarding your account balance, how transactions are posted to your account, and when an overdraft fee will be charged. You should read these disclosures carefully. If you have questions, please see a branch representative or call MIDFLORIDA Help Desk (863) 688-3733.

**YOUR CHECKING ACCOUNT BALANCE.** Your checking account has two kinds of balances: the "actual" balance (also referred to as: Balance, Total, Current Balance and Ledger 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 can avoid unnecessary overdraft fees. This section explains actual and available balances and how they work.

Your actual balance is the full amount of money that can be in your account at any given time. It reflects the full amount of any deposits made to your account without regard to any portion of a deposit that may be on "hold." It also reflects payment transactions that have "posted" to your account, but not payment transactions that have been authorized and are pending. While the term "actual" may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Any holds on deposits, holds on funds authorized for purchases, payments, fees and other charges made on your account that have not yet posted will not appear in your actual balance.

Actual balance is used to determine when your account is overdrawn. For example, if you have a \$50.00 actual balance, but you just wrote a check for \$40.00, then your actual balance is \$50.00 but it does not reflect the pending check transaction. So at that point, you actually have \$50, but you have already spent \$40. If you also swipe your debit card at a restaurant for \$20 which is authorized but has not posted to your account; the actual balance is still \$50, but you have spent \$60. The check clears your account which reduces your actual balance to \$10. When the authorized debit card transaction posts your actual balance will be overdrawn by \$10. An overdraft fee will be deducted from your account further reducing the actual balance. This example is illustrated in the following chart:

Description	Amount	Date	Actual Balance	Available Balance
Deposit posted	\$50.00	01-Jan	\$50.00	\$50.00
Check written	\$40.00	02-Jan	\$50.00	\$50.00
Debit Card Authorization	\$20.00	02-Jan	\$50.00	\$30.00
Check posted	\$40.00	03-Jan	\$10.00	-\$10.00
Debit Card Posted	\$20.00	04-Jan	-\$10.00	-\$10.00
Debit Card Overdraft Fee	\$30.00	04-Jan	-\$40.00	-\$40.00

Your available balance takes into account things like holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. It is a useful tool to keep track of debit card purchases that you have authorized the credit union to pay but have not yet posted to your actual balance.

For example, assume you have an available balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment. In that case, we will put a "hold" on your account for \$20. Your actual balance would still be \$50.00 because this transaction has not yet posted, but your available balance would be \$30 because you have committed to pay the restaurant \$20. When the restaurant submits its bill for payment (which could be a few days later), we will post the transaction to your account and your actual balance will be reduced by \$20.

## **HOW TRANSACTIONS ARE POSTED TO YOUR ACCOUNT**

There are basically two types of transactions in your account:

- Credits or deposits of money into your account
- Debits or payments out of your account.

It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

**Credits.** Most deposits are added to your account when we receive them. For some checks you deposit, only \$200 will post to your available balance at the time of deposit; the balance will post to your available balance two (2) business days later. There may be extended holds on checks over \$5,000. Thus, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, see the section of your Terms and Conditions Of Your Account entitled "Your Ability To Withdraw Funds"

**Debits.** There are several types of debit transactions. Each type of debit transaction is described generally below. Keep in mind that there are many ways transactions are presented for payment by merchants, and the Credit Union is not necessarily in control of when transactions are received.

- **Checks.** When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day.
- **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example, automatic bill pays you have signed up for.
- **Point of Sale (POS) Debit Card Transactions.** These are transactions where you use your debit card and you enter your PIN number at the time of the sale. They are similar to ATM withdrawals because money is usually deducted from both your actual balance and your available balance immediately at the time of the transaction. However, some POS transactions are not presented for payment immediately; it depends on the merchant.
- **Signature Debit Card Transactions.** These are transactions where you make a purchase with your debit card and you do not enter your PIN. As described above, in these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally place a temporary hold and deduct the amount of the transaction from your available balance. We refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from your available balance. Authorizations are deducted from your available balance but not your actual balance as they are received by us throughout each day. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received. **Please note:** the amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, if you use your card at a restaurant, a hold will be placed in the amount of the bill presented to you, but when the transaction posts it will include any tip that you may have added to the bill. This may also be the case where you swipe your debit card at gas stations and hotels and other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

This is a general description of how certain types of transactions are posted. These practices may change and we reserve the right to pay items in any order we chose as permitted by law.

We may receive multiple deposit and withdrawal transactions on your account in many different forms throughout each business day. This means that you may be charged more than one fee if we pay multiple transactions when your account is overdrawn.

**The best way to know how much money you have and avoid paying overdraft fees is to record and track all of your transactions closely.**

**IF YOU DO NOT UNDERSTAND THIS AGREEMENT OR HAVE ANY QUESTIONS, PLEASE CONTACT US AT (863) 688-3733 OR TOLL FREE 866-913-3733.**