

Protecting Yourself from “Overdraft” & “Non-Sufficient Funds” Fees



How Overdraft Privilege Works

When you write a check, make an automatic bill payment or other electronic payment for more than the amount in your checking account, you overdraw your account. When you over-draw your account we normally return your check, or other payment, without paying it and charge you a “non-sufficient funds” fee. The company that you wrote the check to may also charge you a “returned check” fee in addition to the fee we charge you.

We offer an *Overdraft Privilege* service so that your checks, automatic drafts, and payments are not returned when you overdraw your account. With this service, you’ll pay an “overdraft” fee equal to our “non-sufficient funds” fee. But, you will avoid a “returned check” fee from the company you sent payment to, and will remain in good standing with them. You can opt-out of the *Overdraft Privilege* service at any time by calling Member Services at the number listed below, or by visiting our website.

Note that *Overdraft Privilege* does not include ATM, Debit Card, or Teller transactions, and even with *Overdraft Privilege*, whether overdrafts will be paid is discretionary, and we reserve the right not to pay. For example, we typically do not pay overdrafts if an account is not in good standing, if the member is not making regular deposits, or if they have too many overdrafts.

How Can I Avoid “Overdraft” & “Non-Sufficient Funds” Fees?

The best way to avoid “overdraft” and “non-sufficient funds” fees is to manage your account so you do not overdraw it.

- Keep track of how much money you have in your checking account by keeping your check register up-to-date.
- Don’t forget about ATM withdrawals or debit card transactions, as well as automatic bill payments you may have set-up for utilities, insurance, or loan payments.
- Keep an eye on your account using our *Call 24*, *Home Banking 24*, and *Mobile Banking 24* services.
- Remember that some checks, automatic payments, and debit card transactions may not have cleared yet.
- Review your account statement each month.
- Sometimes mistakes happen. If you do overdraw your checking account, deposit money into the account as soon as possible to cover the overdraft amount plus any fees. Depositing money into your account may help you avoid additional overdrafts and fees.

What Are Some Other Ways To Cover Overdrafts?

Summit provides other ways of covering overdrafts that are less expensive than *Overdraft Privilege*. We are ready to assist you in exploring what option or options will work best for you! You may be able to setup any combination of the following:

- **Link your checking account to your *Money Market, Membership, or Special savings* account.** If you overdraw your checking account, we can transfer funds from one or more of your savings accounts to your checking account. We do not charge a transfer fee for this service.
- **Set-up a *Line of Credit*.** You need to apply for a line of credit just as you would apply for any other unsecured loan. If you overdraw your account, we will lend you the funds by using your line of credit to cover the overdraft, up to your approved limit. You will pay interest on this loan. We do not charge a transfer fee for this service. The overall cost will often be less than the cost of using our *Overdraft Privilege* service.
- **Set-up a *Home Equity Line of Credit*.** This service works the same way as a regular line of credit loan, except the credit line is secured with your home as collateral. The interest rate is also much less.
- **Link your checking account to one of our *Visa® Platinum or Platinum Rewards Credit Cards*.** If you link your account to one of our Visa Credit Cards, any overdraft amount becomes a cash advance on your credit card, up to your approved limit. Interest will be charged on the advance immediately. But, unlike most credit cards, we do not charge a cash advance fee or a higher interest rate. The cost of this option depends on how long you take to pay back the advance.

How Much Will Overdraft Privilege Cost Me?

We charge a flat fee of \$29 for each item covered. We set a limit of \$400 on the total amount your account may be overdrawn at any one time (note that this total includes both the amount of the *item* or *items* as well as the *fees*). You will need to bring your account to a positive balance of at least \$1 no later than 30 days to avoid having your checking account closed, and the balance reported to a collection agency.

For example: Suppose you forgot you had only \$25 in your checking account and wrote a check for groceries in the amount of \$50, and had a utility bill draft from your checking account for \$150. In these two transactions, you have spent a total of \$200, and overdrawn your account by \$175 (\$200- \$25 = \$175)

How much will this mistake cost you? If you have *Overdraft Privilege*, we may decide to cover both transactions. However, each overdraft transaction will trigger a fee. You will owe us the \$175 you spent over the actual funds in your account, plus the two overdraft fees (2 x \$29 = \$58) for a grand total of \$233.

Having financial problems or need help developing a workable budget? You can contact BALANCE, our credit counseling partner, for free and confidential help by calling 888-456-2227, or visit www.summitcu.org/balance for more information.

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Member Services 336-662-6200 • 800-632-0210
Mortgage Call Center 336-662-6206 • 877-223-9563
24-Hour Loan Call Center 336-662-6202 • 800-288-5252

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