

## YOUR CHECKING ACCOUNT BALANCE

Your checking account has two kinds of balances: the “actual” balance and the “available” balance. Both can be checked when you review your account online, by phone or at a branch. It is important to understand how these two balances work so that you know how much money is in your account at any given time. This section explains actual and available balances and how they work.

Your actual balance is the amount of money that is actually in your account at any given time. It reflects transactions that have “posted” to your account, but not transactions that have been authorized and are pending. While the term “actual” may sound as though the number you see in an up-to-date display of what is in your account and able to spend, that is not always the case. Any purchases, holds, fees, other charges or deposits made on your account that have not yet posted will not appear in your actual balance. For example, if you have a \$50.00 actual balance, but you just wrote a check for \$40.00, your actual balance remains \$50.00 because it does not reflect the pending check transaction. So at that point, you actually have \$50, but you have already spent \$40 of that.

Your available balance is the amount of money in your account that is available for you to use without incurring an overdraft fee. The 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. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20 (without a tip) 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 and then include a tip), we will post the transaction to your account and your actual balance will be reduced by \$20 plus any tip.

Available balance is used to determine when your account is overdrawn. The following example illustrates how this works:

*Again, assume your actual and available balance are both \$50, and you swipe your debit card at a restaurant for \$20. A hold is placed on your account, so your available balance is only \$30. Your actual balance is still \$50. Before the restaurant charge is sent to us for processing, a check that you wrote for \$40 clears. Because you have only \$30 available (you have committed to pay the restaurant \$20), your account will be overdrawn by \$10, even though your actual balance is \$50. In this case, we may pay the \$40 check, but you will be charged an overdraft fee of \$30. That fee will be deducted from your account, further reducing the balance.*

It is very important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your available balance may not reflect all your outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that

have not been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and paid from your account.

In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account.

### HOW TRANSACTIONS ARE POSTED TO YOUR ACCOUNT

There are essentially two types of transactions in your account: credits or deposits of money into your account, and 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 be made available on the following business day; the balance will be available two (2) business days later. Longer delays may apply; please refer to the Ocean State Credit Union Funds Availability Policy. Thus, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, you may refer to our Funds Availability Policy disclosure.

**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. If we can control when checks are processed and received, we will process the debits in random order.

**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. Each day, ACH transactions for your account are grouped together and paid in random order.

**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 your account 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 but you are instead asked to sign for the purchase. As described above, in these situations, the merchant may seek prior authorization for the transaction. When that happens, we

generally place a temporary hold against the available funds in your account. 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 choose 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 thirty dollar (\$30) 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 (877) 397-1900, Monday through Friday between 9:00 am and 4:00 pm or Saturday between 9:00 am and 12:00 pm Eastern Standard Time.*

**Setoff.** We may (without prior notice and when permitted by law) set off funds in this account against any due and payable debt you owe us now or in the future, by any of you having the right of withdrawal, to the extent of such persons’ or legal entity’s right to withdraw. If the debt arises from a note, “any due and payable debt” includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance the due date for which we properly accelerate under the note. This right of setoff does not apply to this account if: (a) it is an IRA or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor’s right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.



COVENTRY | NORTH KINGSTOWN  
WEST WARWICK

Toll Free: 877.397.1900

Online Banking: [OceanStateCU.org](http://OceanStateCU.org)

Mobile Banking:



Telephone Banking:

401.397.8021 or 800.822.8077

### LOCATIONS:

NORTH KINGSTOWN OFFICE  
7373 Post Road  
North Kingstown, RI 02852

PHENIX OFFICE  
744 Main Street  
West Warwick, RI 02893

MAIN STREET OFFICE  
1076 Main Street  
Coventry, RI 02816

NOOSENECK HILL ROAD OFFICE  
1584 Nooseneck Hill Road  
Coventry, RI 02816

OPERATIONS CENTER  
2006 Nooseneck Hill Road  
Coventry, RI 02816



Federally insured by NCUA



## OVERDRAFT PRODUCT OFFERINGS & OPTIONS

## 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 a savings account, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our standard overdraft practices.

It is our standard overdraft practice to pay check and automatic bill payment overdrafts made using your checking account number.

We do not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- ATM transactions
- Everyday debit card transactions

Overdrafts are paid at our discretion. Payment of an overdraft is not guaranteed. If we do not authorize and pay an overdraft, your transaction will be declined and the item(s) may be returned unpaid.

We will charge a \$30 fee each time we pay an overdraft. If you have reached the Overdraft Privilege limit, or you are ineligible for Overdraft Privilege a \$30 insufficient funds fee will be charged.

There is no limit on the total fees we can charge you for overdrawing your account. We may close your account if you have excessive overdrafts.

To authorize Ocean State Credit Union to pay overdrafts on ATM and everyday debit card transactions, call (877) 397-1900, visit [www.oceanstatecu.org](http://www.oceanstatecu.org), or complete the form below and bring it to any branch location or mail it to:

Ocean State Credit Union, P.O. Box 4004, Coventry, RI 02816.

I authorize Ocean State Credit Union to pay overdrafts on my ATM and everyday debit card transactions. I have the right to revoke this consent at any time.

Member No. \_\_\_\_\_

Social Security No. \_\_\_\_\_

Checking Account No. \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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For Internal Use Only

Received by: \_\_\_\_\_ Date: \_\_\_\_\_ Setup by: \_\_\_\_\_ Date: \_\_\_\_\_

## Overdraft Privilege Program “Opt-Out” Form

If you do not want the credit union to pay your overdrafts under its “Overdraft Privilege Program” mark an “x” at the line below.

Do not complete this form if you have applied for and received a separate overdraft line of credit with the credit union. This form will not affect any overdraft lines of credit.

\_\_\_\_\_ Opt-Out (Full ODP Program)

I/we do not want the credit union to pay my/our overdrafts under the Overdraft Privilege Program. Return any overdrafts unpaid that I/we may write. I/we will be charged an overdraft fee as well as fees imposed by merchants and collection agencies in addition to ultimately paying the overdrawn checking.

\_\_\_\_\_ Opt-out Debit Card portion of ODP program ONLY

Debit card transactions will be denied at the point of sale ONLY if there are no funds in the account at the time of card being swiped.

Member Number \_\_\_\_\_

Account Number \_\_\_\_\_

Joint Account? \_\_\_\_\_ Yes \_\_\_\_\_ No

Member Name (Please print) \_\_\_\_\_

Member Signature \_\_\_\_\_

Date \_\_\_\_\_

Joint Owner (Please print) \_\_\_\_\_

Joint Owner Signature \_\_\_\_\_

Date \_\_\_\_\_

INTERNAL USE ONLY

User Number \_\_\_\_\_ User Name \_\_\_\_\_

## WHAT IS AN OVERDRAFT

An overdraft is the consequence of a non-sufficient or negative balance in your checking account. This may result from any or a combination of the following:

- a. The payment of checks you have presented;
- b. Electronic funds transfers you have authorized;
- c. Other withdrawal requests you have authorized;
- d. Payments you have authorized;
- e. The return of unpaid deposit items;
- f. Applicable service charges;
- g. Non-available deposits according to our Funds Availability Policy.

If your account is overdrawn, you authorize Ocean State Credit Union to deduct the amount your account is overdrawn including incurred fees from any deposit, including deposits of government payments or benefits.

It should be understood that Ocean State Credit Union may, at our discretion, honor withdrawal requests that may overdraw your account. However, the fact that we may honor withdrawal requests that overdraw your account is discretionary and does not obligate the credit union to do so at all times. You should not and may not rely on the credit union to pay overdraft items on your account even if they have been paid previously. Ocean State Credit Union offers alternative account services as explained in this disclosure, that may be available to you where overdrafts will be paid, such as an overdraft line of credit, or a qualifying linked savings account (provided the balance is sufficient).

## OVERDRAFT PRODUCT OPTIONS

Overdraft fees may not be charged as the result of withdrawals from an ATM, or one-time debit card transactions if you have not opted-in for that service. These transactions may be denied if your available balance is not sufficient.

**Overdraft Privilege: We are not obligated to pay items presented for payment if your account does not contain sufficient collected funds**

Ocean State Credit Union may consider as a discretionary courtesy, not a right or obligation, approving your reasonable overdrafts. This discretionary service is limited to a five-hundred dollar (\$500) overdraft (negative) balance including without limitation non-sufficient funds/overdraft fees as described in the Ocean State Credit Union Fee Schedule. A non-sufficient funds fee may be imposed on each check, pre-authorized debit, or in-person withdrawal.

Eligibility requires a deposit equal to or greater than five hundred (\$500) made to your account, and thereafter must be maintained in good standing, which includes at a minimum:

- a. You are not in default on any loan obligation
- b. You bring your account to a positive balance (not overdrawn) at least once every thirty (30) days for a period of twenty- four (24) hours, and
- c. Your account is not the subject of any legal or administrative order or levy

We may refuse to pay an overdraft at any time, regardless of the status of your account and even if previous overdrafts have been paid. You will be notified by mail of any non-sufficient funds

items paid or returned, however Ocean State Credit Union is not obligated to notify you before an item is paid or returned.

The amount of any overdrafts in addition to applicable non-sufficient funds and/or overdraft (NSF/OD) charges are due and payable upon demand. If an overdraft paid by Ocean State Credit Union is on an account with more than one (1) owner on the signature card, each owner, and agent if applicable, drawing/ presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts as well as any non-sufficient funds and/or overdraft (NSF/OD) charge.

**Limitations:** Minor Accounts are not eligible. We may limit the number of accounts eligible for Overdraft Privilege to one account per house-hold and/or one account per taxpayer identification number.

**Optional Overdraft Protection Service:** The credit union offers optional Overdraft Protection Products and Services as outlined in this disclosure.

**Member Opt-Out:** You may choose at any time not to participate in Ocean State Credit Union’s Overdraft Privilege Service. Please contact a Member Service Representative for further information.

**If You Need Help:** Overdrafts should never be used to finance ordinary or routine expenses. If at any time you feel you need assistance with your financial obligations, please contact a Ocean State Credit Union Member Service Representative at (877) 397-1900.

**Always a Discretionary Service:** Ocean State Credit Union’s Overdraft Privilege Service does not constitute an actual or implied agreement between you and the credit union. Nor does it constitute an actual or implied obligation of or by the credit union. This service represents a purely discretionary courtesy or privilege that the credit union may provide to you from time to time and may be withdrawn or withheld by the credit union without prior reason or cause.

**Linked Overdraft Protection:** Linked Overdraft Protection draws funds from your own linked Share or Statement Savings account in the event of an overdraft. If your linked account does not have sufficient funds to cover your overdraft, any available funds will be drawn toward the negative balance in your Checking account and you will be assessed the five dollar (\$5) fee for the transfer and a thirty dollar (\$30) non-sufficient funds fee. Due to limitations under Regulation D (Please refer to section 2 of the Ocean State Credit Union - Electronic Funds Transfer and Cardholder Agreement) Linked Overdraft Protection transfers are limited to six (6) draws per statement cycle.

**Overdraft Line of Credit:** An Overdraft Line of Credit is a Consumer Loan product that must be applied for. If you are approved, this line of credit would be linked to your checking account to be used in the event of an overdraft. The Overdraft Line of Credit is limited to one thousand dollars (\$1000). Balances on the Overdraft Line of Credit accrue interest at an Annual Percentage Rate of 18% while in use.

Overdraft Privilege
Overdraft Privilege is \$500.00 that Ocean State Credit Union may cover in the event of overdraft Checks and Visa Debit Card transactions may be honored up to that amount
<b>\$30.00 Fee (per overdraft item)</b>
Example: Your checking account balance is \$150 You have written a check for \$200 and used your Visa Debit Card for a purchase of \$50 Your account is overdrawn \$100 The check you have written for \$200 and the Visa Debit Card purchase for \$50 may be paid by the credit union and you will be assessed a \$30 fee for each of the two overdraft items
Linked Overdraft Protection
Draws from your own Share or Statement Savings Account in the event of overdraft Checks and Visa Debit Card transactions will be honored up to the amount that is available in your Share or Statement Savings Account
<b>\$5.00 Fee (per transaction)</b>
Example: You have \$150 in your checking account You have written a check for \$200 When the check is presented, the \$150 will be drawn from your checking account and the remaining \$50 along with a \$5 fee will be drawn from your savings account LIMIT 6 DRAWS PER MONTH In the event that your savings account balance will not cover the difference, whatever amount is in there will be taken and put toward the negative balance in your checking account and you will be assessed the \$5 fee

Overdraft Line of Credit
The line is available up to the amount of \$1000 and is dependent on credit for qualification
<b>Posted Annual Percentage Rate (while in use)</b>
Example: You have \$150 in your checking account You have written a check for \$200 When the check is presented, the \$150 will be drawn from your checking account and the remaining \$50 will be drawn from your overdraft line of credit You will pay the posted Annual Percentage Rate on the used portion of your overdraft protection line of credit (Draws from an Overdraft Line of Credit are in increments of \$50)