

your periodic statement, reviewing your balance with Online or Mobile Banking, accessing your account information by phone, or coming into one of our branches.

**Funds availability** – Knowing when funds you deposit into your checking account will be made available for withdrawal is another important concept that can help you avoid being assessed fees or charges. Please see our funds availability disclosure for information on when different types of deposits will be made available for withdrawal. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the times we receive the item and when we return the item. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

**A temporary debit authorization hold affects your account balance** – On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If another transaction is presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

**Termination** – If you wish to have your account removed from this program, you may do so by calling us at: 617-439-6500, during our normal business hours or write to us at: Liberty Bay Credit Union, 300 Granite Street, Braintree MA 02184.

# Overdraft Protection Policy/Benefits Protection

## Headquarters

300 Granite Street  
Braintree, MA 02184

617-439-6500  
lbcu.org



## OVERDRAFT PROTECTION POLICY/BENEFITS PROTECTION

We will pay overdrafts on your account on a discretionary basis after opening your account and provided thereafter you maintain your account in good standing, which is explained as follows:

1. You maintain regular deposits into your account consistent with your past transactions.
2. You deposit an amount sufficient to satisfy the overdraft made in your behalf within 30 days and that your account is rendered positive within a 35-day period.
3. You must not be in default with respect to any loan or other obligation you have to Liberty Bay Credit Union.

Liberty Bay Credit Union is not under any obligation to pay any of your overdraft items and will only do so on a discretionary basis. This courtesy may be withdrawn at any time without warning or notice of cause or reason. The maximum amount of overdrafts allowed from your account will not generally exceed \$750.00 (negative balance), inclusive of fees and charges.

### UNDERSTANDING AND AVOIDING OVERDRAFT AND NONSUFFICIENT FUNDS (NSF) FEES

**Generally** – The information in this section is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and nonsufficient funds (NSF) is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to overdrafts and NSF transactions. Benefits Protection Program is not a Line of Credit.

An overdrawn account will typically result in you being charged an overdraft fee or an NSF fee (as described in our Schedule of Fees and Charges). Generally, an overdraft occurs when there is not enough money in your account to pay for a transaction, but we pay (or cover) the transaction anyway. An NSF transaction is slightly different. In an NSF transaction, we do not cover the transaction. Instead, the transaction is rejected and the item or requested payment is returned. In either situation, we can charge you a fee.

If you use our Benefits Protection program and we cover a transaction for which there is not enough money in your account to pay, we will consider that an overdraft. We treat all other transactions for which there is not enough money in your account as an NSF transaction, regardless of whether we cover the transaction, or the transaction is rejected.

**Determining your available balance** – We use the “available balance” method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your “available” balance may not be the same as your account’s “actual” balance. This means an overdraft, or an NSF transaction could occur regardless of your account’s actual balance.

Your account’s actual balance only includes transactions that have settled to that point in time, that is, transactions (deposits and payments) that have posted to your account. The actual balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your

periodic statement is the ledger balance for your account as of the statement date. **Liberty Bay Credit Union clears checks in an ascending dollar amount (Low to High). If insufficient funds are available, checks for the least money are honored first.**

As the name implies, your available balance is calculated based on the money “available” in your account to make payments. In other words, the available balance takes transactions that have been authorized, but not yet settled, and subtracts them from the actual balance. In addition, when calculating your available balance, any “holds” placed on deposits that have not yet cleared are also subtracted from the actual balance. For more information on how holds placed on funds in your account can impact your available balance, read the subsection titled “A temporary debit authorization hold affects your account balance.”

**Overdrafts** – You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So, you may NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as a personal line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not opted-in to that service. Overdrafts and Fees are payable “On Demand”, this means, we will use subsequent deposits, including direct deposits of social security or other government benefits immediately, to cover such overdrafts and overdraft fees.

**Nonsufficient funds (NSF) fees** – If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money available in your account, and we decide not to pay the item or transaction, you agree that we can charge you an NSF fee for returning the payment. Be aware that such an item or payment may be presented multiple times and that we do not monitor or control the number of times a transaction is presented for payment. You agree that we may charge you an NSF fee each time a payment is presented if the amount of money available in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented.

**Payment types** – Some, but not necessarily all, of the ways you can access the funds in your account include debit card transactions, automated clearing house (ACH) transactions, and check transactions. All these payment types can use different processing systems, and some may take more or less time to post. This information is important for several reasons. For example, keeping track of the checks you write and the timing of the preauthorized payments you set up will help you to know what other transactions might still post against your account.

**Balance information** – Keeping track of your balance is important. You can review your balance in several ways including reviewing