



## OVERDRAFT COVERAGE OPTIONS: OVERDRAFT PROTECTION AND OVERDRAFT PRIVILEGE

Life happens! R.I.A. Federal Credit Union understands that unexpected overdrafts occur from time to time – Overdraft Coverage can help.

### Overdraft<sup>1</sup> Coverage Options

The choice is yours. Consider these ways to cover overdrafts:

Service	Cost
Overdraft Protection Link to Primary Share Account you have at R.I.A. Federal Credit Union	\$5 fee per transfer
Overdraft Protection Konstant Kash Line of Credit	Subject to interest; subject to credit approval
Overdraft Privilege or Overdraft Privilege Extended Coverage	\$29.50 Overdraft Fee per transaction presented for payment <sup>2</sup>

**Overdraft Protection** applies to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from (1) your primary share account for a fee (primary setting) or (2) a line of credit you may have at R.I.A. Federal Credit Union for a finance charge. In this case, the primary setting would be changed to pull from the line of credit first, then your primary share account if more funds are needed. Please note that overdraft lines of credit are subject to credit approval. Call us at (800) 742-2848, email us at [info@riafcu.com](mailto:info@riafcu.com), or come by a branch to sign up or apply for these Overdraft Protection options. Good account management is the best to avoid overdrafts.

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

<sup>1</sup> “Overdraft” means there is not enough available balance in your account at the time a transaction is presented to us for payment.  
<sup>2</sup> A check or ACH payment can be rejected and represented multiple times. We will charge a Returned Item Fee or an Overdraft Fee each time an overdraft check or ACH payment transaction is presented for payment, even if it was previously rejected and a Returned Item Fee was previously charged.

Transactions Covered with Overdraft Privilege	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"> <li>• call us at (800) 742-2848</li> <li>• complete the online consent form found at <a href="http://www.riafcu.com">www.riafcu.com</a></li> <li>• visit any branch</li> <li>• complete a consent form and mail it to us at PO Box 4750, Rock Island, IL 61204-4750</li> <li>• e-mail us at <a href="mailto:riafcu@riafcu.com">riafcu@riafcu.com</a></li> </ul>
ACH - Automatic Debits	X	X	
Recurring Debit Card Transactions	X	X	
Online Bill Pay Items	X	X	
Teller Window Transactions	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 Overdraft Privilege Extended Coverage, it is not necessary to request it again.

You can discontinue Overdraft Privilege in its entirety by contacting us at (800) 742-2848 or sending us an e-mail at [riafcu@riafcu.com](mailto:riafcu@riafcu.com).

Sincerely,  
**R.I.A. Federal Credit Union**



## What Else You Should Know

- A link to another account or a line of credit may be a less expensive option than an overdraft. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts. Good account management is the best way to avoid overdrafts. Use our mobile banking, internet banking, and telephone banking services to keep track of your Available Balance (defined below). For additional financial education resources, please visit [www.mymoney.gov](http://www.mymoney.gov).
- The \$29.50 Overdraft Fee is the same fee amount 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 Fee or Returned Item Fee of \$29.50. All fees and charges will be included as part of the Overdraft Privilege limit amount. Your account may become overdrawn more than the Overdraft Privilege limit amount because of a fee.
- Recipients of federal or state benefits payments who do not wish us to deduct the amount overdrawn and the Overdraft Fee from funds that you deposit or that are deposited into your account may call us at (800) 742-2848.
- If an item is returned because the Available Balance in your account is not sufficient to pay the item and the item is presented for payment again, R.I.A. Federal Credit Union ("We/Us") will charge an Insufficient Funds Fee each time we return the item because it exceeds the Available Balance in your account. Because we may charge a Returned Item 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 representation of the item.** When we charge a Returned Item Fee, the charge reduces the Available Balance in your account and may put your account into (or further into) overdraft. If, on representation of the item, the Available Balance in your account is insufficient to pay the item, we may pay the item and charge an Overdraft Fee. For consumer accounts, there is no limit on the total Overdraft Fees per day we will charge.
- The posting order for purposes of determining Overdrafts is described in your Membership Terms & Conditions. Holds on funds (described herein) and the order in which transactions are posted may impact the total amount of Overdraft Fees or Returned Items Fees accessed on your account.
- Overdraft Privilege 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 Deposit Account Agreement and Disclosure. The total (negative) balance, including all fees and charges, is due and payable upon demand.
- We may be obligated to pay 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 or ATM 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 (Overdraft Privilege Extended Coverage) may result in you incurring Overdraft Fees for transactions that we would otherwise be required to pay without assessing an Overdraft Fee. However, this would allow us to authorize everyday debit card transactions up to the amount of your Overdraft Privilege limit. If you consent to Overdraft Privilege Extended Coverage on your consumer account, it will remain on your account until it is otherwise withdrawn.
- **Understanding your Available Balance:** Your account has two kinds of balances: the Current Balance and the Available Balance.
- We authorize and pay transactions using the Available Balance.
- Your Current Balance is the full amount of all deposits into your account, even though some portion of a deposit may be on hold and may not be available to you, less payment transactions that have actually "posted" to or have been paid from your account, but not payment transactions that have been authorized and are pending.
- Your Available Balance is the amount of money in your account that is available for you to use without the risk of being charged an Overdraft Fee or a Returned Item Fee. The Available Balance is the Current Balance less things like holds placed on deposits and pending transactions (such as pending debit card purchases) that we have authorized but that have not yet posted to your account.
- The balance used for authorizing checks, ACH items, and recurring debit card transactions is your Available Balance plus the amount of the Overdraft Privilege limit and any available Overdraft Protection.
- The balance used for authorizing everyday debit card transactions on accounts without Overdraft Privilege Extended Coverage is your Available Balance plus any available Overdraft Protection, but does NOT include the Overdraft Privilege limit.
- The balance used for authorizing everyday debit card transactions on accounts with Overdraft Privilege Extended Coverage is your Available Balance plus any available Overdraft Protection and includes the Overdraft Privilege limit.
- Because your Available Balance reflects pending transactions and debit holds, your balance may appear sufficient 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 your Membership Terms & Conditions, which will reduce the amount in your Available Balance.
- Please be aware that the Overdraft Privilege amount is not included in your Available Balance provided through online banking, mobile banking or R.I.A. Federal 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 Fee may be assessed.
- Except as described herein, we will not pay items if the Available Balance in your account (including the Overdraft Privilege limit, if applicable) is not sufficient to cover the item(s) and the amount of any fee(s).
- **Understanding Overdraft Privilege Limits**
- New consumer checking accounts will receive a \$250.00 Overdraft Privilege limit at account opening that will be increased to \$750.00 after 90 days in good standing for consumer accounts.
- Overdraft Privilege 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 Current 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 Overdraft Privilege limit reinstated.
- If you have any questions about Overdraft Protection or Overdraft Privilege, please call us at (800) 742-2848 or visit a branch.