Coverage For Your Debit Card Purchases

The Consumer Finance Protection Bureau (CFPB) has stated that “An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway.” However, we have provided in Section C(5) of our Terms and Conditions a more specific definition of “overdraft” and a more thorough explanation of all of the factors that determine when an overdraft occurs and when you may incur an overdraft fee on a debit card or other type of transaction. All of the terms in our Terms and Conditions including Section C(5) are incorporated here, and both this document and our Terms and Conditions are meant to be interpreted together. Therefore, in order to make your choice as to whether or not to opt-in overdraft protection for debit card and ATM transactions, you should first review our Terms and Conditions, including Section C(5) as well as our Privilege Pay disclosure.

Overdraft Protection provides you with peace of mind when life doesn’t go as planned. For those times that you forget to make the deposit before your cable bill is withdrawn, or your direct deposit is unexpectedly delayed—Andrews Federal has several ways to help save you the embarrassment and additional costs involved with an unexpected overdraft, which occurs when there are not sufficient funds in your checking account to cover a particular debit.

Your Overdraft Options

Andrews Federal offers you several options for Overdraft Protection. All overdrafts are paid at the Credit Union’s discretion, which means that we do not guarantee that we will always authorize and pay any type of transaction.

- **Lowest Cost Option: Transfer from Savings:** You may have an automated transfer set up from your savings account, or from multiple savings accounts if you choose to do so. If an item tries to clear from your checking account in an amount more than what is currently available, the Credit Union will automatically transfer the needed funds from your savings account(s) as you have directed to cover the item. There is no fee for this service

- **Overdraft Line of Credit:** You may elect to apply for a Line of Credit, which would automatically transfer funds from the available line balance to cover any insufficient funds items. You will pay interest on any outstanding Line of Credit balances, but there is no fee for the funds transfer to take place. Overdraft Lines of Credit are a loan product and are subject to approval.

- **Privilege Pay:** Privilege Pay is our overdraft program that allows you to withdraw more than your account balance for a short period of time in order to cover unexpected overdrafts. The Credit Union advances you the money you need to pay presented items (up to a pre-determined limit) by allowing your checking account balance to go temporarily negative, with the expectation that you will pay back the negative balance in a reasonable period of time (no more than 25-30 days). Your account is automatically enrolled in Privilege Pay once your account meets certain criteria. There is a fee per transaction that is covered by Privilege Pay:
  - You will be charged a fee of $32.00 each time the Credit Union pays an item for you with Privilege Pay, up to a daily fee cap of $224.00 (the equivalent of seven (7) fees).
  - There is no limit on the total fees the Credit Union may charge you for overdrawing your account.

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Both the Transfer from Savings and Overdraft Line of Credit options are available to you to help you cover inadvertent overdrafts you may incur when using your Andrews Federal VISA® Debit Card.

If you are eligible for Privilege Pay, you have the additional option of electing to have Privilege Pay cover your everyday debit card purchases (i.e. one time debit card purchases). However, you must Opt In in order to obtain this additional coverage.

If you Opt In, you will be charged a fee of $32.00* each time the Credit Union authorizes and pays a debit card purchase for you with Privilege Pay, up to a daily fee cap of $224.00 (fee cap is for the daily total of all overdraft transactions paid for by Privilege Pay in a single day). There is no limit on the total fees the Credit Union may charge you for overdrawing your account with your debit card. (*current as of 12/2019 and subject to change). Please visit our website for our current Schedule of Fees.

If you do not choose to Opt In for this additional coverage, and you do not use any of the other overdraft options, we will otherwise decline any debit card purchase for which you do not have sufficient funds in your checking account.

Joint Accounts: Joint owners agree that the provision of Privilege Pay is provided to all account owners. Therefore, we will treat the Opt Out (revocation of consent) by one account owner as the revocation of service(s) for that account.
PRIVILEGE PAY OPTION
Coverage for your debit card purchases

Maximize Your Overdraft Coverage
Remember, in order to have access to the additional coverage for your Debit Card purchases, you must Opt in for this coverage. To Opt in, you may complete and sign this form, and return it to a branch employee. You may also call us to Opt in, at 800.487.5500 (U.S.) or 00800.487.56267 (Outside U.S.). Alternatively, you can Opt in through online banking. Respond today and we'll make sure your everyday Debit Card transactions are covered in the event of an overdraft.

Your Opt In Election:
__ Yes, I want Andrews Federal Credit Union to authorize and pay overdrafts on my everyday Debit Card transactions.
__ No, I do not want Andrews Federal Credit Union to authorize and pay overdrafts on my everyday Debit Card transactions.

Member Name: ___________________________________ Account Number(s) _______________________

Date: ____________________