

What You Need to Know about Overdrafts and Overdraft Fees

An overdraft occurs when you do not have sufficient available funds in your account to cover a transaction, but we pay it anyway. We look at the available balance when determining whether there is an overdraft. Available balance is the ledger balance minus any deposits or withdrawals that are on hold or transactions that have been preauthorized but have not yet been debited from your account, such as gas station purchases, hotel or reservations and other such items. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices (also known as Courtesy Pay) that come with your account.
2. We also offer overdraft protection plans, such as a link to a savings account or a line of credit loan, which may be less expensive than our standard overdraft practices. To learn more, ask about these plans.

This notice explains our Courtesy Pay overdraft practices.

What are the standard overdraft practices (Courtesy Pay) that come with my account?

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments
- Automated Clearing House (ACH) items

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

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.

If we do not authorize and pay an overdraft, your transaction will be declined.

What fees will I be charged if Michigan Schools & Government Credit Union pays my overdraft?

Under our standard overdraft practices (Courtesy Pay):

- We will charge you a fee of \$30 each time we pay an overdraft, up to a maximum of six Courtesy Pay fees per account per day. You may still incur fees on returned overdrafts.
- Except as described above, there is no limit on the total fees we can charge you for overdrawing your account.

***** PLEASE REFER TO THE YOUR LIABILITY FOR OVERDRAFTS SECTION OF THE MEMBERSHIP AND ACCOUNT AGREEMENT FOR IMPORTANT ADDITIONAL INFORMATION CONCERNING OVERDRAFTS. *****

What if I want Michigan Schools & Government Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions?

You may opt-in to our standard overdraft practices (Courtesy Pay) through Online Banking, by visiting any of our locations, or by calling us at (586) 263-8800 or (866) 674.2848.

You have the right to revoke this authorization at any time.