

## Overdraft Protection and Privilege Courtesy Pay

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Greater Iowa Credit Union members can protect themselves from overdrafts by using transfers from savings, other accounts or even lines of credit. Privileged Courtesy Pay (PCP) is another form of coverage.

Privileged Courtesy Pay helps protect you against having your items returned in the event of an inadvertent overdraft of your account by giving you a reserve for emergencies or unexpected situations. There is no fee for having this privilege on your account; you are only charged if you use the service.

### How Privileged Courtesy Pay works

First, it is best not to think of it as a line of credit. However, if you overdraw your account, we will normally pay the overdraft, subject to the limit of your overdraft privilege.

For example, suppose you do not have Privileged Courtesy Pay and your account balance is \$50. If you have a debit item for \$100, GICU currently charges \$29 for having an item with insufficient funds and will then return the item to the payee, who will then require you to pay the original cost of the product or service and likely charge you a fee. So you've incurred two fees and the cost of the original product or service.

However, if you had \$300 of Privileged Courtesy Pay protection, here's how the situation would have worked: When the item arrives at GICU, we would pay the item and charge you \$25 for an overdraft transaction. The total charge to you would have been \$25 compared to the \$29 PLUS the additional merchant fees. Additionally, you avoid the embarrassment and maintain a good reputation with the merchant.

When you use your Privileged Courtesy Pay, you must remember to subtract the overdraft fee from your account balance. In the example above you would have subtracted the \$125 from your account: \$100 (the amount of the check) plus \$25 (the amount of the privileged courtesy pay fee). Any additional items that come in while your account has a negative balance will also be charged the privileged courtesy pay fee of \$25 or the returned item fee of \$29 per item. It is important to record those fees. The next deposit that you make should bring your balance to the amount of the deposit plus the amount you were over-drawn and the overdraft fees.

ATM receipts and other ways you get balance information will show only your ledger balance without the Privileged Courtesy Pay included. However, you will be able to access Privileged Courtesy Pay via share drafts (checks), electronic (ACH) transactions, at the ATM, using your debit card (signature and PIN-based transactions), at the teller window, and through Greater Iowa's Online BillPay. You will be charged the fee associated with these transactions.

### Understanding uncollected funds

If you deposit to your account and are informed that a hold will be placed on some of the funds deposited, those funds are not available for you to utilize until the date indicated on your notice. If an item is presented against held funds and you have Privileged Courtesy Pay on your account, you will be charged a fee of \$25.

## Points to remember about Privileged Courtesy Pay

- Every debit item on an overdrawn account will be charged a fee of \$25.
- You must promptly repay the amount of the overdraft and any overdraft fees.
- When viewing your account balance, your Privileged Courtesy Pay limit will not be included as part of your available balance.

## Privileged Courtesy Pay Eligibility Requirements

- Bring your account balance to a positive balance within each 30-day period, for a minimum of 24 hours.
- You are not in default on any loan or other obligation to GICU.
- You are not subject to any legal or administrative order or levy against your account, including bankruptcy.
- You are at least 18 years of age.
- You have a valid address on file with GICU.
- Your account is not dormant.

Other overdraft protection options are available. Please contact a member service representative for more information. Federally insured by NCUA. Equal Housing Opportunity.