

Overdraft Protection & Overdraft Privilege Policy

Municipal Employees Credit Union of Oklahoma City

SECTION I – Overdraft Protection

General Statement

The Credit Union may honor a member transaction that results in the overdraft of a transaction account through the use of the Credit Union's Overdraft Protection Program. Under this Program, the Credit Union may charge a fee depending upon the type of transfer made to cover the overdraft.

I. Types of Accounts Used for Overdraft Protection

A. The Credit Union allows the following accounts to be used for overdraft protection.

1. Lines of Credit (LOC)
2. Share Accounts
3. Share Draft Accounts

II. Types of Transactions Covered by Overdraft Protection

A. The Credit Union offers overdraft protection for the following types of transactions which could result in an overdrawn account:

1. Share Drafts/Checks
2. ACH Debits
3. ATM Debit;
4. Point of Sale (POS) Debits
5. Bill Pay Debits

III. Fees for Overdraft Protection

A. Applicable fees will be assessed for each overdraft. A list of current fees and applicable interest rates will be furnished when the account is opened.

IV. Disclosures

A. At the time an account is opened, members will be provided with:

1. A disclosure of the fees; and
2. A list of categories of transactions for which an overdraft fee may be imposed.

B. The Credit Union will also provide a periodic statement disclosure detailing the total amount of overdraft fees or charges imposed on an account for:

1. The statement period; and
2. The calendar year (year to date).

V. Advertising

A. The Credit Union will not state the available overdraft limit or indicate the amount of overdraft funds available in individual member accounts in any advertisement or periodic statement.

Title	Overdraft Protection & Overdraft Privilege Policy
Origination	
Last Revision	2015-02-24
Last BOD Apprvl.	2013-12-19
Current BOD Apprvl.	2015-04-16
MEUCUD Ref# 455	

VI. No Preferential Treatment

- A. Credit Union staff and board members will not be granted preferential treatment through waived or reduced fees.

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SECTION II – Overdraft Privilege

General Statement

The Credit Union may honor a member transaction that results in the overdraft of a transaction account through the use of the Credit Union's Overdraft Privilege program. Under this Program, the Credit Union charges a fee to provide for the payment of a transaction that would otherwise be returned due to non-sufficient funds (NSF). The Credit Union is under no obligation to pay every overdraft. Overdraft Privilege is not a line of credit and is not a transfer from a Share account.

I. Member Qualifications for Overdraft Privilege

- A. The Credit Union will only offer this overdraft privilege program to members who are eligible. To be considered eligible for the privilege the following qualifications must be met:
1. The transaction account must be open at least six (6) months;
 2. The member must not have any delinquent loans or delinquent credit cards;
 3. There must be a direct deposit to the account;
 4. The overdrawn or "negative" balance must not exceed the amount of the Direct Deposit into the account or \$1000; whichever is less.

II. Dollar Limits on Overdraft Privilege

- A. The credit union shall not approve, on any single day, more than \$250,000 in overdrafts; including fees.
- B. The total overdraft amount, per member, must be the lesser of:
1. \$1,000; or
 2. The amount of the member's direct deposit including fees.

III. Repayment for Accounts with Overdraft Privilege

- A. Any member with an unpaid overdraft balance has 45 calendar days from the day the advance was made to:
1. Deposit the funds; or
 2. Add the amount of the overdraft to an existing loan; or
 3. Convert the overdrawn balance to a loan.
- B. Loans used for the purpose of repaying an overdraft balance, must be repaid according to the terms of the contract. If the loan is not repaid according to these terms, the loan will be subject to collection in accordance with the credit union's Collection Procedures and/or Loan Charge Off policy.
- C. The Credit Union will also provide a periodic statement disclosure detailing the total amount of overdraft fees or charges imposed on an account for:
1. The statement period; and
 2. The calendar year (year to date).

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IV. Termination of Overdraft Privilege

- A. The Credit Union may immediately terminate this program if:
 - 1. A member fails to pay any overdraft balance amount voluntarily;
 - 2. A member, upon demand (after the expiration of the 45 days) does not pay the overdraft balance;
 - 3. A member has a delinquent loan or credit card account with the Credit Union; or
 - 4. Direct deposit to the Overdraft Privilege account is canceled
- B. If a member's account is removed from Overdraft Privilege for a reason other than that listed in section IV, A, of this section, an Adverse Action shall be sent to the member.

V. Fees for Overdraft Privilege

- A. Applicable fees will be assessed for each overdraft. A list of current fees and applicable interest rates will be furnished when the account is opened.

VI. Advertising

- A. The Credit Union will not state the available overdraft limit or indicate the amount of overdraft funds available in individual member accounts in any advertisement or periodic statement.

VII. No Preferential Treatment

- A. Credit Union staff and board members will not be granted preferential treatment through waived or reduced fees.

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SECTION III - ATM and One-Time Debit Card Transactions

General Statement

Prior to assessing a fee for an overdraft resulting from an ATM or one-time debit card transaction the Credit Union will provide members with the right to “opt in”, or affirmatively consent to the credit union’s overdraft service for ATM and one-time debit card transactions **for each account** pursuant to the Credit Union’s ATM/Debit Cards Policy.

I. Opt-in Requirement(s)

- A. Members do not automatically receive Opt-in benefits but should be given the opportunity to Opt-in. A member must Opt-in by completing the Opt-in form.
- B. Failure to complete the form and send it back to the Credit Union will automatically trigger an Opt-out status.

II. Periodic Statements

- A. The Credit Union will also provide a periodic statement disclosure detailing the total amount of overdraft fees or charges imposed on an account for:
 - 1. The statement period; and
 - 2. The calendar year (year to date).

III. Fees

- A. Applicable fees will be assessed for each overdraft. A list of current fees and applicable interest rates will be furnished when the account is opened.

IV. Advertising

- A. The Credit Union will not state the available overdraft limit or indicate the amount of overdraft funds available in individual member accounts in any advertisement or periodic statement.

V. No Preferential Treatment

- A. Credit Union staff and board members will not be granted preferential treatment through waived or reduced fees.

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