

## **9. OVERDRAFTS AND DISHONORED ITEMS**

**a. Insufficient Funds/Overdrafts.** If, on any day, the actual or available balance in your account is not sufficient to pay the full amount of a check, draft, transaction or other item that is presented for payment from the account, we may return the item or pay it in accordance with our overdraft policies or any overdraft service you have established with us. We are not required to pay any item that exceeds the actual or available balance in your account. Items drawn on your account may be paid in any order we choose. We may determine whether the available balance in your account is sufficient to pay an item at any time between presentation of the item and our midnight deadline, with only one review of the account required. We are not required to notify you if your account does not have sufficient actual or available funds to pay the item. Your account may be subject to a fee as disclosed in our Schedule of Fees and Charges for each item presented against an insufficient actual or available balance, regardless of whether we return or pay the item. We may charge a fee each time an item is submitted or resubmitted for payment; therefore, you may be assessed more than one fee as a result of a returned item and resubmission(s) of the returned item.

If you have established an overdraft service with us that links your share or deposit account with other Credit Union accounts of yours, you authorize us to transfer funds from those accounts to cover the amount of any items that exceed the actual or available balance in your account as well as the amount of any fee assessed for the transfer. Such transfers may be made from another share or deposit account, an overdraft line-of-credit account, or other account you so designate. If we, at our discretion and as a courtesy to you, honor items that exceed the available balance in your account, the account will be overdrawn and you agree to repay the overdrawn amount, plus any fee assessed by us immediately and upon demand. By exercising our discretionary right to honor such items, we do not agree to honor them in the future.

**b. Dishonored Items.** We reserve the right to charge an NSF Fee each time a transaction is presented if your account does not have sufficient funds to cover the transaction at the time of presentment and we decline the transaction for that reason. This means that a transaction may incur more than one NSF Fee if it is presented more than once. For example, if an ACH or other item is presented for payment and declined due to insufficient funds and then represented for payment and declined again due to insufficient funds, we reserve the right to charge a NSF Fee for both the original presentment and the representment in accordance with our Schedule of Fees and Charges and other applicable law.

We may redeposit an item taken for deposit, cash or other value, or we may return the item to you and charge your account. If your account does not contain a sufficient actual or available balance to reimburse us for the amount of the item, you must repay us for the amount we are unable to collect from your account. If we choose to redeposit an item, we are not required to notify you that the item was returned unpaid. We may charge your account and/or seek recovery directly from you for any item that is returned due to your breach of warranty under the Uniform Commercial Code as adopted in the state where our main office is located.

**c. Understanding Your Account Balance.** Your checking account has two kinds of balances: the actual balance and the available balance. Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or electronic transactions that have been authorized but are still pending, such as hotel or rental car deposits. Your available balance is the amount of money in your account that is available for you to use. Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; (3) holds placed on any deposits to your account; (4) holds placed on any account for delinquent loans or lines of credit; (5) any minimum account balance requirements; (6) holds placed on any account to comply with a court order; and (7) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. In our sole discretion, we may use your actual or available balance to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn regardless of your actual balance. You should assume that any item which would overdraw your account based on your actual or available balance may create an overdraft. You may check your available balance online at [www.membersfirstfl.org](http://www.membersfirstfl.org), at an ATM, by visiting a credit union branch or by calling us at 850-434-2211. Our use of the actual or available balance will affect our

determination of an overdraft or potential overdraft for any purpose, including, but not limited to, rejection of attempted items for insufficient funds, transfers pursuant to any overdraft protection plan and any fees or charges related to such overdrafts and transfers.

There may be a preauthorization hold on a transaction while there are actual or available funds in your account, but by the time that transaction posts to your account, you no longer have sufficient actual or available funds to cover the transaction. The Credit Union may charge a Courtesy Pay or NSF Fee when you do not have sufficient actual or available funds either during the preauthorization hold or when the transaction posts to your account, but you will not be charged two fees if you have insufficient funds during both time periods.