

# Members Trust of the Southwest Federal Credit Union

## Overdraft Privilege Service / Opt-In Options

Federal regulations require us to get your consent before processing certain transactions. Please read this notice carefully, and let us know how you want to proceed. We will be happy to answer any questions you might have.

### What are the new regulations?

Regulation E specifies that as of August 15, 2010, we need your permission before we can complete one-time ATM or debit card transactions that would trigger an overdraft. If you do not opt-in to this service, these transactions will be denied if your checking account has insufficient funds.

### How does an overdraft occur?

If you don't have enough money in your account, an overdraft can be triggered when you write a check, make an ATM transaction, use your debit card to make a purchase, or make an automatic bill payment or other electronic payment.

### What type of overdraft protection are available?

Members Trust of the Southwest Federal Credit Union offers two types of overdraft protection:

1. Overdraft Protection - Involves setting up automatic transfers from savings or other share accounts to cover overdrafts. Fees will still apply, but these plans are generally less expensive than the Overdraft Privilege service.
2. Overdraft Privilege - Allows us to cover your overdrafts for a set fee of \$25.00 per overdraft item. Whether your overdraft is paid is discretionary and we reserve the right to not pay the item. For example, we typically do not pay overdrafts if your account is not in good standing or if you have used the entire overdraft limit available on your account. You will be required to restore a positive balance within 45 days, or your account will be closed and sent for collection.

### Overdraft Privilege applies to Eligible Account type:

Free Checking Regular Checking Commercial Checking Senior Checking

It is the policy of Members Trust of the Southwest Federal Credit Union to comply with the applicable laws and regulations, and to conduct business in accordance with the applicable safety and soundness standards.

**We are not obligated to pay any item for payment if your account does not contain sufficient collected funds.** Rather than automatically returning, unpaid, any non-sufficient funds items that you may have, if your eligible account has been open for at least sixty (60) days and therefore you maintain your account in good standing, which includes at least: a) Continuing to make deposits consistent with your past practices, and depositing at least \$400 or more in your account within each thirty (30) day period; (b) You are not in default on any loan obligation to MTFCU; (c) You bring your account to a positive balance (not overdrawn) for at least a 24 hour time period, once every thirty (30) days; and (d) Your account is not the subject of any legal or administrative order or levy; **we will consider, without obligation on our part, approving your reasonable overdrafts.** This **discretionary \* service** will generally be limited to a maximum of \$750 overdraft (negative)

balance for consumer checking accounts and commercial checking accounts will generally be limited to a maximum of \$1500 overdraft (negative) balance. **Of course, any and all fees and charges, including without limitation our non-sufficient funds/Overdraft fees (as set forth in our fee schedule) will be included in this limit and will apply to any transaction that overdraws your account. The Non-sufficient Funds/Overdraft Fees are non-refundable. We may refuse to pay an overdraft for you at any time, even though your account is in good standing and even though we may have previously paid overdrafts for you.** You will be notified by mail of any non-sufficient funds items paid or returned; however, we have no obligation to notify you before we pay or return any item. **The amount of any overdrafts plus our Non-sufficient Funds and/or Overdraft Charge(s) that you owe us shall be due and payable upon demand.**

If there is an overdraft paid by us on an account with more than one (1) owner on the signature card, each owner, and agent if applicable, drawing/presenting the items creating the overdraft, shall be jointly and severally liable for such overdrafts plus our Non-Sufficient Funds and /or Overdraft Charges(s).

**Limitations:** Available only to eligible checking accounts. All savings type accounts, money market accounts, public fund/charitable organization accounts and minor accounts are not eligible. We may limit the number of accounts eligible for Overdraft Privilege \* service to one account per tax identification number.

\* The Overdraft Privilege service does not constitute an actual or implied agreement between you and the credit union. Nor does it constitute an actual or implied obligation of or by the credit union. This service represents a purely discretionary courtesy or privilege that the credit union may provide to you from time to time and which may be reduced, withheld or revoked by us at any time without prior notice or reason or cause. If approved or Overdraft Privilege service, you may notify the credit union in writing to have this service removed from your account at any time.

### **Why would I want to opt-in?**

We always encourage our members to handle their accounts responsibly. At the same time, we realize that there are times when overdraft protection provides valuable protection and peace of mind. For example, let's say you pull into a gas station, planning to use your debit card to fill your tank. Chances are you would want the transaction to be paid. If you are standing at the checkout line with a cart full of groceries, overdraft privilege can spare you the embarrassment and inconvenience of a declined transaction.

You should consider your own financial habits and think about the implications of a denied transaction before deciding whether to opt-in.

### **What else do I need to know?**

Our usual overdraft protection mechanisms will remain in effect for payments made by check and for recurring ACH payments from your checking account. The new regulations apply to everyday, one-time ATM and debit card transactions. The changes do not affect other, lower cost overdraft protection plans which you may already have in place.

## Overdraft Privilege Service

The Overdraft Privilege Service is a discretionary service. To qualify for this service, your account must meet the standards as outlined above in the Overdraft Privilege section. You have the right to opt-out of this service at any time by submitting a written request to opt-out.

## Overdraft Privilege Opt-In Election Form

**Yes**, I want Members Trust of the Southwest FCU to authorize and pay overdrafts on my **ATM and everyday debit card transactions**. I agree to the terms stated in this brochure.

**Yes**, I want Members Trust of the Southwest FCU to authorize and pay overdrafts on my **ATM Transactions only**. I agree to the terms stated in this brochure.

**Yes**, I want Members Trust of the Southwest FCU to authorize and pay overdrafts on my **everyday debit card transactions only**. I agree to the terms stated in this brochure.

**No**, I do not want Members Trust of the Southwest FCU to authorize and pay overdrafts on my ATM and everyday debit card transactions. I understand that this may cause transaction denials if my checking account has insufficient funds.

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Full Name

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Street Address

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City

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State

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Zip Code

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Member Number at MTFCU

**X**

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Signature

If you are completing this form from the internet, please be sure to sign, date, and return the form to:

**Houston Office** / 2315 Mangum Road, Houston, TX 77092  
Phone: 713-681-0339 / Toll Free: 800-683-6455  
Fax: 713-681-2114

**Stephenville Office** / 2311 NW Loop, Stephenville, TX 76401  
Phone: 254-968-8543 / Toll Free: 800-683-6455  
Fax: 254-968-468

**For office use only**

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