



NEW COVENANT DOMINION
CREDIT UNION

SMALL BUSINESS OVERDRAFT DISCLOSURE

Revised September 2022

Recall that your Small Business Account Agreement with New Covenant Dominion Federal Credit Union (“NCDFCU,” “we,” “us,” or “our”) incorporates this Small Business Overdraft Disclosure and that you accept all terms of the Account Agreement and all documents it references by signing our Account-Opening Application. This disclosure applies only to Small Business accounts – those held by a sole proprietor of a business, an unincorporated association, a partnership, a business corporation, a nonprofit corporation, a limited liability company, or other such organization.

During your relationship with NCDFCU, there may be times when you do not have enough money to cover the transactions to be posted to your account due to an unintentional error or miscalculation. An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway as a convenience to you.

While it should not be your practice to overdraw your account, we recognize that paying overdrafts helps you to avoid the problems that arise with declined transactions. NCDFCU can cover your overdrafts in two different ways, both of which are only available to members in good standing:

1. Through our Overdraft Courtesy Pay service, which comprises our standard overdraft practices.
2. Through our Overdraft Protection service, by authorizing us to transfer funds from a linked NCDFCU account that you own in order to cover insufficient funds transactions. This option may be less expensive than our standard overdraft practices.

We require the explicit consent of members in good standing for enrollment in Overdraft Courtesy Pay and Overdraft Protection (collectively, our “Overdraft Program”). A member in good standing is a member who:

- maintains at least the minimum share balance described in our Account Agreement;
- is not significantly delinquent on any NCDFCU loan;
- has not had any account with NCDFCU closed due to abuse or negligent behavior;
- has not caused a financial loss to NCDFCU; and
- has not engaged in violent, belligerent, disruptive, or abusive activities.

Any authorized signer may request to enroll a Small Business account in our Overdraft Program. We may decline to enroll a member in our Overdraft Program in our sole discretion. We reserve the right to change the terms of or discontinue our Overdraft Program altogether in our sole discretion.

The overdraft limit on Small Business accounts is \$5,000. Any service fees we charge you count toward the dollar limit. After this dollar limit has been reached, we will not pay any further overdrafts on your account; instead, we will decline insufficient funds transactions and charge you the insufficient funds fee (currently \$25). An additional note regarding insufficient funds, each time an ACH debit request or bill payment you authorize, or check (share draft) you draw, is presented and returned as unpayable for any reason, a \$25 service charge will be assessed.

We use the “available balance” method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your “available” balance may not be the same as your account’s “actual” balance. This means an overdraft or insufficient funds transaction could occur regardless of your account’s actual balance. Your account’s actual balance (sometimes called the ledger balance) only includes transactions that have settled up to that point in time, that is, transactions (deposits and payments) that have posted to your account. The actual balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your periodic statement is the ledger balance for your account as of the statement date. As the name implies, your available balance is calculated based on the money “available” in your account to make payments. In other words, the available balance takes transactions that have been authorized, but not yet settled, and subtracts them from the actual balance. In addition, when calculating your available balance, any “holds” placed on deposits that have not yet cleared are also subtracted from the actual balance.

**New Covenant Dominion Federal Credit Union
Small Business Overdraft Disclosure**

Notice for Non-Members and Members Who Do Not Enroll in the Overdraft Program

If there are insufficient funds to cover a transaction on a non-member account or a member account which is not enrolled in our Overdraft Program, we will decline the transaction and charge the insufficient funds fee (currently \$25) for each such transaction. There is no limit on the total insufficient funds fees we can charge you for insufficient funds transactions. If the assessment of insufficient funds fees brings your account into a negative balance, you will be required to bring your account into a positive balance before we pay any further transactions on your account. If you are unsure of your membership status or whether you are eligible to enroll in our Overdraft Program, speak with a credit union employee.

➤ **What is Overdraft Courtesy Pay, and what service fees will I be charged if I enroll?**

Under this service, we may authorize and pay overdrafts for the following transactions:

- checks and other transactions made using your checking account number
- automatic bill payments.

We do not authorize and pay overdrafts for the following transactions, unless you ask us to:

- ATM transactions
- everyday debit card transactions

We are not required to alert you before posting a transaction that will overdraw your account. You are responsible for monitoring your account. 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 pay an overdraft, your transaction will be declined, and you will be charged the insufficient funds fee (currently \$25) for each such transaction.

The payment of overdrafts is not a loan or line of credit, and all overdrafts must be repaid within 45 days. If you do not repay your overdraft within 45 days, we may require you to apply for a loan to pay the overdraft or close your accounts with us.

If you overdraw your account excessively, we may terminate your access to Overdraft Courtesy Pay or close your account, in our discretion.

For Overdraft Courtesy Pay, we will charge you a service fee of up to \$25 each time we pay an overdraft when your account is overdrawn by more than \$10. There is no limit on the total service fees we can charge you for overdrawing your account. You may opt-out of Overdraft Courtesy Pay at any time by sending us a written notice. We will accept an opt-out notice from any authorized signer.

➤ **What is Overdraft Protection, and what service fees will I be charged if I enroll?**

Under this service, you authorize us to automatically transfer available funds from the NCDFCU savings account linked to your checking account to cover any insufficient funds transactions. We only require the consent of one authorized signer to opt-in to Overdraft Protection. We are not required to notify any other authorized signer when another authorized signer opts in to our Overdraft Protection program.

We will charge you a \$5 service fee per transfer if there are available funds in the linked savings account. There is no limit on the total service fees we can charge for transfers.

If the linked savings account does not have sufficient funds, your transaction will be declined, and you will be charged the insufficient funds fee (currently \$25) for each such transaction. There is no limit on the total insufficient funds fees we can charge you for insufficient funds transactions. If the assessment of insufficient funds fees brings your account into a negative balance, you will be required to bring your account into a positive balance before we pay any further transactions on your account.

You may opt-out of Overdraft Protection at any time by sending us a written notice. We will accept an opt-out notice from any authorized signer.

Choose an overdraft option

For Account Number: _____



New Covenant Dominion
Federal Credit Union

<i>From time to time, you may inadvertently lack sufficient funds to cover a transaction. (We are not required to alert you if this happens.) If you lack funds to cover a transaction, you have 3 options:</i>	COMPLETE OPT-OUT If you select this option, we will never pay overdrafts on your account. So, if there are insufficient funds to process a transaction on your account, we will return the item and charge you the returned item fee. In other words, your transaction will be declined.	OVERDRAFT COURTESY PAY If you select this option, we may allow transactions to post to your account even if there is not enough money to cover them. This service is not a loan or line of credit. We pay overdrafts at our discretion, which means we <u>do not guarantee</u> to authorize and pay every overdraft.	OVERDRAFT PROTECTION If you select this option, we will automatically transfer available funds from the NCDFCU savings account linked to this checking account to cover insufficient funds transactions.
Fees	\$25.00 per insufficient funds transaction	\$25.00 per overdraft that causes account to be overdrawn by more than \$10.00	\$5.00 per transfer (or the insufficient funds fee of \$25.00 if the linked savings account does not have sufficient funds)
Max. Fee Amount	No maximum	No maximum	No maximum
Available to	All accountholders	Members in good standing	Members in good standing
Eligible Transactions	Checks, other transactions made using your checking account number, automatic bill payments. We will never pay overdrafts on ATM and debit card transactions without your explicit consent.	Checks, other transactions made using your checking account number, automatic bill payments. We will never pay overdrafts on ATM and debit card transactions without your explicit consent.	Checks, other transactions made using your checking account number, automatic bill payments. We will never pay overdrafts on ATM and debit card transactions without your explicit consent.
Important Details	If you do not select any option or if you are a non-member accountholder, insufficient funds transactions will be processed in line with our Complete Opt-Out program.	All overdrafts must be repaid within 45 calendar days. Excessive overdrafts may cause us to terminate your Overdraft Courtesy Pay or close your account , in our discretion.	If the linked savings account does not have sufficient funds, your transaction will be declined, and you will be charged the insufficient funds fee for each such transaction.
	I select the complete opt-out option. I understand that NCDFCU will never authorize transactions that overdraw my account, will assume all risks of declined transactions, and will pay the returned item fee(s). * If you are or become eligible, you may opt-in to Overdraft Courtesy Pay or Overdraft Protection at any time.	Enroll this account in Overdraft Courtesy Pay: I authorize NCDFCU to pay transactions that will overdraw my account, in NCDFCU's discretion. I will pay all applicable fees. *You may opt-out of this service at any time.	Enroll this account in Overdraft Protection: I authorize NCDFCU to make transfers from my linked savings account and will pay all applicable fees. *You may opt-out of this service at any time.

- Select one: I **DO NOT** want NCDFCU to authorize and pay overdrafts on my ATM and everyday debit card transactions.
 I want NCDFCU to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Name of Entity: _____
Sole proprietors, put N/A in the line above

Name of Authorized Signer: _____

Title of Authorized Signer: _____

Date: _____ Signature: _____

The overdraft limit is \$5,000 and we will not pay overdrafts that exceed this amount. The service fees we charge count toward the overdraft limit.

Submit this form at your local branch or mail to:
 New Covenant Dominion Federal Credit Union
 1185 Boston Road
 Bronx, NY 10456