

Patriot Equity Credit Union
57 Directors Row
Jackson, TN 38305

OVERDRAFT PROTECTION

Overdraft protection is a service provided for our members to protect their checking account from NSF (insufficient funds). The following is information you should know about this service:

1. Overdrafts are considered a line of credit and, as such, individual limits and interest rates are based on the individual's personal credit history.
2. Overdrafts will transfer funds into the checking account in the event a check, automatic draft, or ACH item attempts to clear the checking account and the account is short of funds. This will prevent a NSF charge, which is currently \$25.00. Increments of \$100.00 will be deposited up to the assigned limit. Partial amounts may also transfer, up to the maximum credit limit if needed by credit union personnel.
3. Deposits made to the checking account **will not** automatically repay the balance of the overdraft loan. Members have (2) options to repay the overdraft loan.
 - a. A minimum payment of \$20.00 per month (limits of \$100 - \$500).
 - b. Members may at any time pay off the entire balance of the overdraft loan.
4. The computer system automatically establishes the due date for repayment when the first advance is made. (i.e. if the overdraft "*kicks in*" on June 1st, your payment would be due on July 1st, unless paid in full before the first payment is due).
5. **Notices are not sent when the overdraft *kicks in*.** You have access to this information by way of your monthly statement or by checking your account history using PECU*Online*, which is a free service provided to our members. If you have access to the Internet, you are encouraged to apply for this free service.
6. If payments are not made by the due date, the overdraft protection will fail to *kick in* automatically. A manual transfer from the overdraft to the checking would be required in this situation provided that the Due Date is not beyond the Grace Period. Credit union personnel responsible for clearing members' checks would do this.