

Overdraft Educational Information



What Is Overdraft Protection?

Overdraft Protection is a service Charter Oak provides for its members that allows accounts to be drawn negative to clear authorized payments when the account does not have enough funds to cover instead of rejecting the transaction. Members who have ComplimentTREE Checking, GO Checking, EB/Mohegan Sun Checking, and Simply Checking accounts all have access to Overdraft Protection, assuming their accounts remain in good standing.

Are there fees associated with Overdraft Protection?

Yes, there is a \$30 overdraft fee each time you utilize the service. Please refer to the **Truth in Savings Disclosure** for details on applicable fees.

What transactions are covered by Overdraft Protection?

Basic Overdraft Protection will cover payments made by standard check and authorized transactions originated through ACH – that is, electronic payments made using your account number. ATM and debit card transactions are not covered by basic Overdraft Protection; however, you can opt-in to this service at any time by speaking with a member service representative.

Why would I want to use a service that will draw my account negative?

Overdraft Protection is a safety net to allow authorized payments to clear when you don't have the available funds. If you are waiting for a payroll deposit but have an electric bill that

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is scheduled to come out before that, Overdraft Protection will allow that bill to be paid without having to worry about a service interruption.

Will I have to pay back the negative amount?

Yes, you are responsible for keeping your account in good standing, which means making sure your account does not remain negative for an extended period of time. Failure to bring your account positive within 30 days of using your Overdraft Privilege can result in suspension from the program, and failure to bring your account positive within 45 days can result in your account being charged off and reported to ChexSystems. Accounts must remain positive for at least 24 hours to be considered back in good standing.

I don't want my account to be drawn negative. Are there other options?

Absolutely! Charter Oak offers a variety of alternatives to Overdraft Protection that won't draw your account negative, including:

- Share Auto Transfer, which will automatically utilize funds from a different share if there are not enough to cover in the share initially debited
- Read-Cash Too, a line of credit, subject to approval, which can be used to transfer money to your checking account to cover any overdrafts
- Opting out of Overdraft Protection completely, which will no longer pay authorized transactions when they would draw your account negative but may still result in a Returned Item Fee

I'm having trouble keeping track of my finances, does Charter Oak offer anything to help?

Of course! Charter Oak offers online banking, which allows you to see your account balances at any time, and to access monthly statements at the click of a button once enrolled in eDocuments. There are a variety of alerts you can set up to let you know about activity on your account, including balance thresholds, debit card purchases, cleared checks, and more! We also encourage our members to use direct deposit with their employers to avoid any delay in funds availability.

We understand that mistakes can happen, or there may be times of financial hardship, and we are happy to offer Overdraft Protection as an option to our members. However, we

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encourage members to seek alternate avenues and only utilize their Overdraft Protection as a last resort.