

What do you need to know about overdrafts and overdraft fees?

An overdraft occurs when you do not have a sufficient available balance in your account to cover a transaction at the time it is presented to us for payment, but we pay it anyway. The credit union, at our discretion, can cover your overdrafts in two ways:

1. With the Safety Net service that comes with your account, or
2. We also may offer overdraft protection plans, which may be less expensive than our standard overdraft practices.

To learn more, ask us about these plans. This notice explains our Safety Net service practices.

Determination of Account Balances for Overdraft Assessment Ledger Balance Versus Available Balance.

Your checking account has two kinds of balances: the “Ledger Balance” and the “Available Balance”.

Ledger Balance - Your “Ledger” balance is the amount of money that is actually in your account at any given time, but not all funds included in the Ledger Balance are considered “available” for transactions on your account. The Ledger Balance is also sometimes referred to as your “actual balance”. Your Ledger Balance reflects transactions that have been posted to your account, but it does not reflect transactions that have been authorized and are pending or deposits that may be on hold. We are permitted to place an authorization hold on your account for up to three (3) business days (or for up to thirty (30) business days for certain types of debit card transactions) from the time of the authorization or until the transaction is paid from your account.

Available Balance - Your Available Balance is the amount of money in your account that is available to you to use without incurring a fee. The Available Balance considers factors such as holds placed on deposits and pending transactions, like pending debit card purchases, that the Credit Union has authorized, but that have not yet posted or settled to your account.

For electronic funds transfers (ACH), checks, bill payments, and any other non-debit card transactions, we use your **Available Balance** at the time a transaction posts to determine whether your account is overdrawn and whether a fee will be assessed.

For debit card transactions, we use your **Available Balance** at the time a transaction is **authorized** and again when the transaction settles to your account to determine if each specific transaction will overdraw your account and whether a fee will be assessed a fee. It is important to remember that your Available Balance may not reflect all your transactions.

What are the Safety Net practices that come with my account?

The credit union may authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number.
- Automatic bill payments
- The credit union will not authorize and pay overdrafts for the following types of transactions unless you ask us to or “opt-in”:
 - ATM transactions
 - Everyday debit card transactions

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 authorize and pay an overdraft, your transaction will be declined.

What fees will I be charged if KIT Federal Credit Union pays my overdraft?

Under our standard overdraft practices:

- We will charge you a fee of up to \$35.00 each time we pay an overdraft.
- There is no limit on the total fees we can charge you for overdrawing your account.

What if I want KIT Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, complete the form below and return to a Member Service Representative, or mail to:

KIT Federal Credit Union, 9711 Linn Station Road, Louisville KY 40223

If you decide you no longer want to have your debit card transaction authorized and paid, you may revoke your authorization (opt out) at any time in writing to KIT Federal Credit Union or opt out online in Home Banking/Mobile app.

CHECK THE APPROPRIATE BOX BELOW:

OPT OUT: I DO NOT want KIT Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions

OPT IN: I WANT KIT Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Signature

Account Number

Printed Name

Date

Email Address

Phone Number