

New Covenant Dominion Federal Credit Union

Corporate Headquarters:
1185 Boston Road Bronx, NY 10456
Website: www.newcovenantcreditunion.org



North Bronx Branch:
3601 Eastchester Rd, Bronx, NY 10469
Phone Number (Both Branches): (718) 328-3930

COMMERCIAL OVERDRAFT DISCLOSURE

Revised February 2020

Recall that this Commercial Overdraft Disclosure is incorporated as part of your Account Agreement with New Covenant Dominion Federal Credit Union (NCDFCU) and applies only to commercial accounts. A commercial account is one 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 Commercial Account Agreement;
- is not significantly delinquent on any NCDFCU union 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 commercial 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 commercial accounts is \$5,000.00. 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 returned item fee (**currently \$25.00**). As set forth in our Commercial Account Agreement, transactions may not be processed in the order in which they occurred, and the order in which we receive and process transactions can affect the total amount of service fees that you incur for overdrafts.

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 returned item fee (**currently \$25.00**) for each returned item. 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.

**New Covenant Dominion Federal Credit Union
Commercial Overdraft Disclosure**

➤ **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 as we do not yet offer these services:

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

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 **\$15.00 (the current lowered rate due to coronavirus pandemic; ordinarily \$25.00)** each time we pay an overdraft when your account is overdrawn by more than \$10. Also, if your account is overdrawn for 2 or more consecutive business days, we will charge an additional **\$2.50** service fee per day. 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 a linked NCDFCU account to cover any insufficient funds transactions. We may transfer money in any linked account to any other linked account for this purpose. We only require the consent of only authorized signer to link accounts. We are not required to notify any other authorized signer when another authorized signer links a commercial account to another NCDFCU account as part of our Overdraft Protection program.

We will charge you a **\$0** service fee (fee is waived during the coronavirus pandemic; ordinarily \$5.00) per transfer if there are available funds in a linked account. There is no limit on the total service fees we can charge for transfers.

If no linked account has sufficient funds, we may elect to pay the overdraft via Overdraft Courtesy Pay and charge you the Overdraft Courtesy Pay fees. 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



New Covenant Dominion
Federal Credit Union

For Account Number: _____

<p><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></p>	<p>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.</p>	<p>OVERDRAFT COURTESY PAY If you select this option, we will 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> that we will always authorize and pay any type of transaction.</p>	<p>OVERDRAFT PROTECTION If you select this option, we will link the credit union accounts you identify below and automatically transfer funds from an account with sufficient funds to cover any insufficient funds transactions. We may transfer money in any linked account to any other linked account for this purpose.</p>
<p>Fees (some are reduced or waived until further notice during coronavirus pandemic)</p>	<p>\$25.00 per returned item</p>	<p>For overdrafts over \$10.00: \$15.00 overdraft fee + a \$2.50 daily fee for each day overdraft continues after</p>	<p>\$0.00 per transfer (or the overdraft courtesy pay fee(s) if no linked account has sufficient funds)</p>
<p>Maximum Fee Amount</p>	<p>No maximum</p>	<p>No maximum</p>	<p>No maximum</p>
<p>Available to</p>	<p>All accountholders</p>	<p>Members in good standing</p>	<p>Members in good standing</p>
<p>Eligible Transactions</p>	<p>Checks, other transactions made using your checking account number, automatic bill payments. We will never pay overdrafts on ATM and debit card transactions (when these services become available) without your explicit consent.</p>	<p>Checks, other transactions made using your checking account number, automatic bill payments. We will never pay overdrafts on ATM and debit card transactions (when these services become available) without your explicit consent.</p>	<p>Checks, other transactions made using your checking account number, automatic bill payments. We will never pay overdrafts on ATM and debit card transactions (when these services become available) without your explicit consent.</p>
<p>Important Details</p>	<p>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.</p>	<p>All overdrafts must be repaid within 45 calendar days. If you overdraw your account excessively, we may terminate your access to Overdraft Courtesy Pay or close your account, in our discretion.</p>	<p>If no linked account has sufficient funds, we may elect to pay the overdraft consistent with our Overdraft Courtesy Pay procedures.</p>
	<p><input type="checkbox"/> 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).</p> <p>* If you are or become eligible, you may opt-in to Overdraft Courtesy Pay or Overdraft Protection at any time.</p>	<p><input type="checkbox"/> Enroll this account in Overdraft Courtesy Pay: I understand that NCDFCU may authorize any transaction even if it overdraws my account. I will pay the overdraft and daily fee(s), as applicable.</p> <p>*You may opt-out of this service at any time.</p>	<p><input type="checkbox"/> Enroll this account in Overdraft Protection: I authorize NCDFCU to make transfers from the linked accounts identified below and will pay the transfer fee and/or Overdraft Courtesy Pay fees (as applicable).</p> <p>Linked Account Number(s): _____</p> <p>*You may opt-out of this service at any time.</p>

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