



At HFS, Courtesy Overdraft Protection is divided into two types:

1. Protection for checks, recurring debit card transactions and automatic bill payments
2. Protection for everyday debit card transactions

HFS always attempts to pay for checks and automatic bill payments. However, to have added protection for everyday debit card transactions, you must opt in (agree) to the additional coverage.

Why opt in?

Courtesy Overdraft Protection for everyday debit card transactions is an added level of protection that many members have for their Checking Accounts. This “just in case” service is often preferred by members over being declined a transaction at the cash register. Members should speak to a Member Service Representative to opt in.

If you do not opt in, Courtesy Overdraft Protection will not apply to your everyday debit card transactions. These transactions typically will be declined when you don't have enough money in your account, and you will not be charged an Overdraft Fee.

If I don't want Courtesy Overdraft Protection, can I discontinue it?

Yes, you can discontinue it at any time by calling HFS FCU at (808) 930-1400 or toll-free at (800) 216-2666 or by visiting any of our branch offices.



What do I need to know about Courtesy Overdraft Protection Plans?

- Avoid using these plans as short-term loans — they are costly forms of credit.
- If you overdraw your account, get money back into your account as soon as possible. Remember that you need to put enough money back into your account to cover both the amount of your overdraft and any fees.
- Even if you have one of these plans, there is no guarantee that the Credit Union will cover your checks, debit card transactions, ATM withdrawals and other electronic payments that overdraw your account.
- Good account management is the most cost-effective way to protect your hard-earned money. If you need Overdraft Protection every now and then, ask HFS about the choices and services that are right for you.



Locations & HOURS

Hilo

632 Kinoole St
Hilo, Hawaii 96720
Mon. – Fri. 8:30am–5:00pm
Drive-up window:
Mon. – Fri. 8:30am–5:00pm
Sat. 8:30am–1:30pm

Honoka'a

45-3600 Mamane St
Honoka'a, Hawaii 96727
Mon. – Fri. 8:30am–5:00pm

Kea'au

16-589 Old Volcano Rd
Kea'au, Hawaii 96749
Mon. – Fri. 8:30am–5:00pm
Sat. 8:30am–1:30pm
Drive-up window:
Mon. – Fri. 8:30am–5:00pm
Sat. 8:30am–1:30pm

Prince Kuhio Plaza

111 E. Puainako St
Hilo, Hawaii 96720
Mon. – Fri. 9:00am–6:00pm
Sat. 9:00am–1:30pm

Kailua-Kona

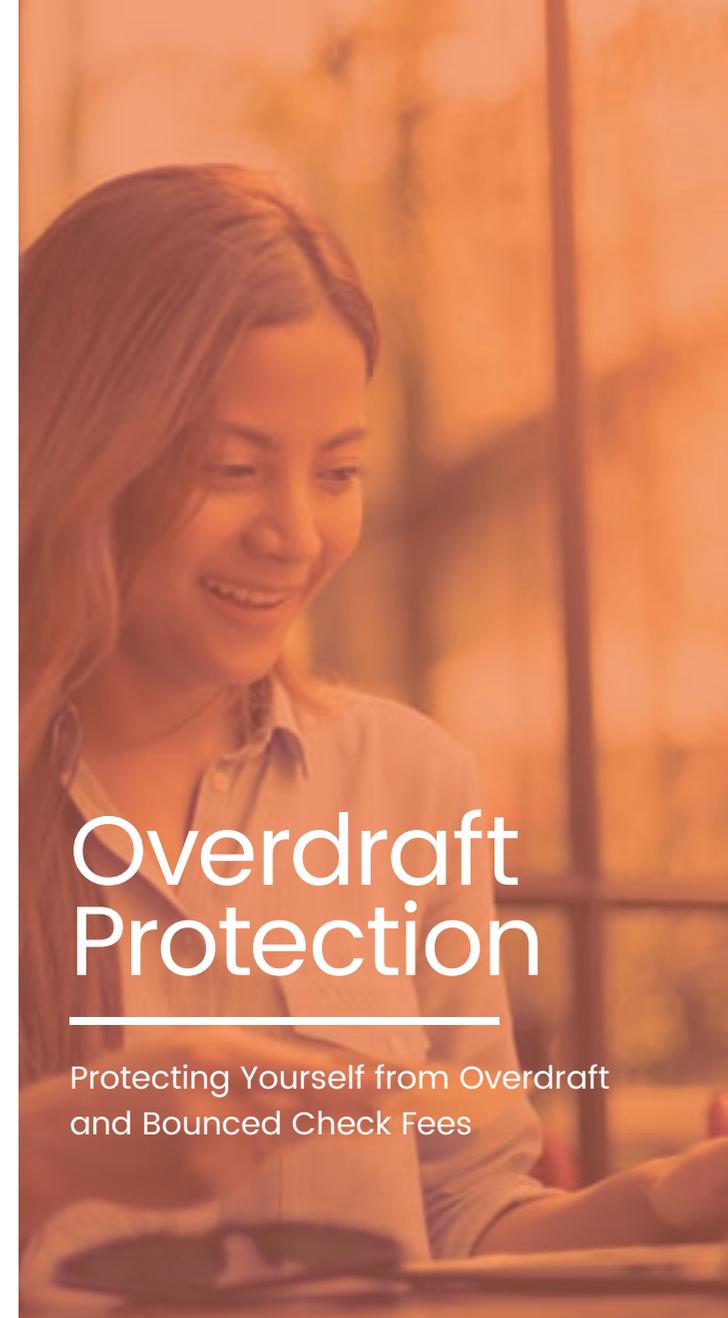
Kona Coast Shopping Center
74-5586 Palani Rd, Suite 5
Kailua-Kona, Hawaii 96740
Mon. – Fri. 9:00am–6:00pm
Sat. 9:00am–1:30pm

Waimea

Waimea Center, Suite 21
65-1158 Mamalahoa Hwy
Kamuela, Hawaii 96743
Mon. – Fri. 9:00am–6:00pm
Sat. 9:00am–1:30pm

Contact INFORMATION

Call (808) 930-1400
Toll Free (800) 216-2666
Visit hfsfcu.org



Overdraft Protection

Protecting Yourself from Overdraft and Bounced Check Fees



Federally Insured by NCUA

July 2017

hfsfcu.org



How can I avoid Overdraft and Bounced Check Fees?

The best way to avoid Overdraft and Bounced Check Fees is to manage your account so that you don't overdraw it.

- Keep track of how much money you have in your Checking Account by keeping your check register up to date. Record all checks and other transactions when you make them. Don't forget to subtract any fees.
- Pay special attention to your electronic transactions. Record your ATM withdrawals and fees, debit card purchases and online payments.
- Don't forget about automatic bill payments you may have set up for utility, insurance or loan payments.
- Keep an eye on your account balance, and review your statements each month. Remember that some checks and automatic payments may not have cleared yet. Between statements, you can find out which payments have cleared and check your balance by calling your Credit Union or by checking online or at an ATM. Be sure to find out the actual available amount in your account – your account balance less any pending transactions that have not cleared.

Sometimes mistakes happen. If you do overdraw your account, deposit money into the account as soon as possible to cover the overdraft amount plus any charged fees. This can help you avoid additional overdrafts and fees.

How do overdrafts and bounced checks happen?

When you: Write a check, use your debit card to make a purchase, make an automatic bill payment or withdraw more money from your account than is available, you overdraw your account.

The Credit Union has the choice to either pay the amount or not. If it pays even though you don't have the money in your account, you may be charged an Overdraft Fee. If the Credit Union returns your check without paying it, you may be charged a Bounced Check or Nonsufficient Funds Fee. The person or company that you wrote the check to may also charge a Returned Check Fee, in addition to the fee your Credit Union charges you.

What is Courtesy Overdraft Protection?

HFS offers Courtesy Overdraft Protection Plans to qualified members so that checks do not bounce and ATM and debit card transactions go through. With these plans, you'll still pay an Overdraft Fee to your Credit Union for each item that overdraws your account, but you will avoid the merchant's Returned Check Fee and stay in good standing with the people you do business with.

How much do Courtesy Overdraft Protection Plans cost?

The Credit Union currently charges a \$25 flat fee for each transaction that brings your account negative. There are dollar limits to the total

amount your account may be overdrawn at any one time. In addition, the Credit Union does not guarantee that your transactions will be paid.

What are some other ways to cover overdrafts?

HFS does provide other ways of covering overdrafts that may be less expensive. Ask about these options before making your choice. You may be able to:

- Link your Checking Account to your Savings Account. If you overdraw your Checking Account, the Credit Union can transfer funds from your Savings Account to cover the overdraft. Ask about transfer limitations.
- Set up an Overdraft Line of Credit with HFS. You need to apply for a Line of Credit just as you would apply for a regular loan. If you overdraw your account, the Credit Union will lend you the funds by using your Line of Credit to cover the overdraft. This means you will have to pay interest on the loan, but the overall costs may be less than the costs for Courtesy Overdraft Protection Plans.
- Link your Checking Account to both a Savings Account and a Line of Credit. You may even designate the order in which you would like the coverages to be activated. For example, you could link to your Savings Account first and then to a Line of Credit if there aren't enough funds, adding another layer of protection for you.

Consider these ways to cover your overdrafts:

Ways to cover your overdrafts	Examples of possible costs for each overdraft*
Good account management	\$0
Link to Savings Account	\$0
Overdraft Line of Credit	10% APR**
Courtesy Overdraft Protection Plan	\$25
Bounced Check	\$25 to \$55 (\$25 Credit Union fee + \$20 to \$30 fee from merchant)

*These costs are only examples.
**APR=Annual Percentage Rate.

What should I do if I have a problem or complaint about Courtesy Overdraft Protection?

First, try to resolve the problem directly with HFS FCU. If you are unable to resolve the problem, you may want to file a complaint with the NCUA, a federal agency responsible for enforcing consumer banking laws. You may submit your complaint online or send a letter to:

National Credit Union Administration
Office of Consumer Protection
1775 Duke St., Alexandria, VA 22314
Fax: (703) 518-6682
Email: consumerassistance@ncua.gov

Example: Suppose you forgot that you had only \$15 in your account and wrote a check for \$25 and used your debit card to buy \$30 worth of groceries. In these two transactions, you've spent a total of \$55 – and overdrawn your account by \$40 (\$55 – \$15 = \$40).

If you have a Courtesy Overdraft Protection Plan, the Credit Union may decide to cover both transactions; however, each of the overdrafts will trigger a fee. You will owe the Credit Union the \$40 that you spent even though it wasn't in your account, plus the two Overdraft Fees. If your Overdraft Fee is \$25 per overdraft, you will owe the Credit Union \$90 [\$40 + \$50 (2 x \$25) = \$90].

