



Dear TCU member:

On November 12, 2009, the Federal Reserve Board released final ruling on overdraft protection as part of an amendment to the Electronic Fund Transfer Act. There are two primary purposes of this Regulation (E):

1. to protect consumers by requiring credit unions to disclose all the terms, conditions and fees associated with overdraft services
2. and the option of Opting In / Opting out of the overdraft services

There are two types of Overdraft protection: the first is a **standard service** that applies to your account when you make a one-time debit/ATM transaction, which states that we will allow your account to go negative but a fee will be assessed each time. The second is an **Overdraft Protection Plan**, which is essentially a loan that you will pay interest on. The regulation (E) that was passed only applies to the standard overdraft service that comes with your debit/ATM card accounts.

In order for Treasury Credit Union to comply with this new regulation (E), we are sending you this notice regarding our Overdraft services. The attached notice fully explains the changes to Treasury Credit Union's overdraft program and outlines what you need to do if you would like us to continue to provide full overdraft protection on your account.

We will need your consent on or before August 15, 2010 if you would like to keep the overdraft privileges you currently have with Treasury Credit Union. After August 15, we will still approve charges for overdrafts from checks and automatic payments (ACH). However, we will require your consent if you want us to approve overdraft payments from ATM's and/or one-time debit card transactions. Without your consent, we will have to deny these types of transactions (point of sale merchants, grocery store, gas stations, ATM's, etc.) if there is insufficient funds available in you account.

If you have any questions, please contact us at (801) 355-7771, by mail or visit the website at www.treasurycu.org:

Treasury Credit Union
166 East Social Hall Ave.
Salt Lake City UT 84111

Overdraft Opt-in Q&A

Q. Why did I get this notice?

A. You received the notice because you are currently enrolled in our overdraft protection service. When you overdraw your checking account and back-up funds from a savings account or overdraft line of credit aren't available to cover the item, we will occasionally pay the item and charge a \$20 fee. If you would like to continue the overdraft coverage you currently enjoy, we need your permission before we can cover every day debit and ATM transactions. Your overdraft coverage for checks and other type of electronic fund transfers has not changed.

Q. Why is the credit union changing its overdraft procedures?

A. A change in federal regulation requires that we get your permission before we allow you to overdraw your account when you use your debit card to withdraw money from an ATM or to pay for everyday debit card purchases. If we don't have your permission to cover these transactions when you are short of funds, we have to deny them.

Q. If I want you to cover these transactions, how much will it cost?

A. That's the great part. You only get charged for the service when you use it. If you never overdraw your account, you will never be charged. If you need to use the service, the fee is \$20 per transaction.

Q. Can I cancel the service if I don't like it?

A. You are free to cancel the service at anytime. Just contact us if it's not working for you.

Q. If I don't opt-in can I ask the credit union to cover certain transactions and reject the rest?

A. Most of the time, we will still cover any transactions you make by check or electronic funds transfer. However, if you don't give us permission to cover ATM and everyday debit card transactions we will have to deny all of them when you don't have enough funds in your account. Our processing system does not have the capability to cover certain transactions and deny the rest.

Q. Why don't you have to have my permission to cover transactions made by check or electronic funds transfer?

A. Federal regulators did extensive consumer testing before changing this regulation. They discovered that most consumers want their financial institutions to cover checks and electronic funds transfers as they are more likely to be important transactions like mortgage payments and utility bills.

Q. I don't want you to ever overdraw my account. Can you do that?

A. You can decide to reject all overdraft services; however we will have to reject all transactions if you don't have enough funds in your account and have no other overdraft coverage such as a savings account or an overdraft line of credit. For rejected checks we will charge a \$20 return item fee. You should also be aware that you will be responsible for paying any rejected transaction or late fees that merchants may charge you.

What You Need to Know about Overdrafts and Overdraft Fees

An overdraft occurs when you do not have enough money in your checking account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account.
2. We also offer overdraft protection plans, such as a link to a savings account, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains only our standard overdraft practices.

➤ **What are the standard overdraft practices that come with my account?**

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments (ACH)

After August 15, 2010, we will not authorize and pay overdrafts for the following types of transactions unless you give consent (see below):

- ATM transactions
- Everyday one-time 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 Treasury Credit Union pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of \$20 for each transaction we pay as standard overdraft.
- If your Overdraft Protection Plan is at limit we will charge a \$20 fee.
- Also, If you account is overdrawn for 10 consecutive days, we will charge an additional \$10 fee every 10 days that the account continues to be overdrawn.
- There is NO LIMIT to the total fees we can charge you for overdrawing you account.

➤ **What if I want Treasury Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

If you wish to consent Treasury Credit Union to authorize and pay overdrafts on ATM and everyday one-time debit card transactions, please sign and complete the form below and bring it in to either our Salt Lake City Branch or Ogden Branch. To Mail the form please send it back in the enclosed envelope.

_____ I do not want Treasury Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

_____ I want Treasury Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____

Signature: _____

Date: _____

Account Number: _____