

# Understanding Overdrafts

When determining if you have funds in your account to pay an item (check, electronic withdrawal (ACH), debit or ATM card transaction, or other withdrawal transaction) we look at your available balance. Your available balance can be different than your account balance.

Your **account balance** is the total amount in your checking or savings account and does not reflect funds being held for pending debit card purchases, ATM withdrawals, check holds and other reasons.

Your **available balance** is your account balance less amounts being held for pending debit card transactions, ATM withdrawals, check holds, a minimum balance requirement and other reasons. The way a merchant processes your transaction can affect your available balance. It's important to keep track of your deposit, withdrawal and purchase activity and not rely on the "account balance" that shows on our electronic banking sites, receipts, etc. as your available balance.

**EXAMPLE #1** - If your checking account balance is \$500 and you make a debit card purchase for \$300, your available balance is \$200 (because \$300 of your balance is being held to pay the debit card transaction when it posts to your account). If a \$250 check you wrote is presented before the debit card transaction is posted, you do not have sufficient available funds in your account to pay the check. At our discretion, we may return the \$250 check unpaid due to non-sufficient funds or we may pay the item and take your account to a negative available balance. Both options would result in a \$15 NSF fee.

**EXAMPLE #2** - If you go to a gas station and pay at the pump, the gas station might obtain a \$1 pre-authorization to ensure your card is valid before turning on the pump. If your checking account balance is \$40, your available balance is then \$39. In most cases, the gas station does not submit a new authorization for the entire amount of your gas purchase. If your gas purchase was \$60, your checking account will be overdrawn when the transaction is posted to your account because the gas station only requested authorization for a \$1 transaction, not a \$60 transaction. In this example, if you authorized us to allow overdrafts resulting from one-time debit card transactions, a \$15 non-sufficient funds fee would be assessed.

**EXAMPLE #3** - If your savings account balance is \$300 and you deposit a \$500 check that requires a check hold, your available balance is \$300. If a \$400 ACH withdrawal is presented, you do not have sufficient available funds in your account to pay for the withdrawal. At our discretion, we may return the \$400 withdrawal unpaid due to non-sufficient funds or we may pay the item and take your account to a negative available balance. Both options would result in a \$15 non-sufficient funds fee.

A \$15 non-sufficient funds fee is assessed each time a transaction overdraws the available balance of an account, with a daily maximum fee of \$75.

Checks, electronic withdrawals (ACH), debit and ATM card transactions, and other withdrawal transactions can be made before, during or after our business hours. When multiple transactions are presented at the same time (for example, when 3 ACH withdrawals are presented), they will be posted to your account from lowest to highest dollar amount. This is done to maximize the number of withdrawals that can be made before overdraft fees are assessed.

