

## **IMPORTANT NOTICE about your PARDA Checking Account**

### **What you need to know about Overdrafts and Overdraft Fees**

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

1. We offer PARDA Overdraft Privilege, a discretionary overdraft privilege program, which comes with your account.
2. We also offer overdraft protection options, such as a link to a savings account or overdraft line-of-credit, which may be less expensive than our discretionary overdraft privilege program.

### **How does the overdraft privilege program work?**

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

- Share Drafts – checks you write to a third party against your checking account
- Electronic Funds Transfers – ACH or recurring debit card transactions

If we do not hear from you, effective August 15, 2010, we will not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- ATM withdrawals
- One time debit card transactions (purchases at merchants or other third party authorizations)

If you do opt-in we may cover these items up to your current overdraft limit. You have the right to revoke your opt-in election at anytime.

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 may be declined.

### **What fees will I be charged if PARDA Federal Credit Union pays my overdraft?**

Under our discretionary overdraft privilege program:

- We will charge you a **fee of \$28** each time we pay an overdraft
- The maximum amount of items and fees we can charge you for overdrawing your account are determined by your current overdraft limit
- No Fee to keep PARDA Overdraft Privilege coverage on your account
- No Fee if you never use PARDA Overdraft Privilege

**What other ways can I cover my Overdrafts?**

PARDA offers less expensive ways to cover overdrafts, such as linking other accounts to your checking for transferring funds (a \$2.00 transfer fee applies), or overdraft lines-of-credit (must meet loan qualifications). To learn more, ask us about these plans.

**What if I want PARDA Federal Credit Union to continue to authorize and pay overdrafts on my ATM and debit card transactions?**

Soon, PARDA Overdraft Privilege for ATM withdrawals and Debit Card transactions will no longer be provided automatically.

To keep your overdraft protection on your ATM and Debit Card, you must opt-in by **August 15<sup>th</sup>, 2010**. For your convenience we are offering several methods for you to do this:

- Telephone - Call your local branch or 800.860.5640 Option 1
- Electronically - Log into P.A.T.H Online Banking
- In Person - Stop by your local branch
- Mail – Complete the form below and mail it to:  
PARDA Federal Credit Union  
P.O. Box 5010  
Rochester, MI 48307-5010

This authorization will go into effect August 15, 2010 for all existing members prior to July 1, 2010. All new members as of July 1, 2010, this authorization will take effect immediately.

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\_\_\_ I do want PARDA Federal Credit Union to continue to authorize and pay overdrafts on my ATM and debit card transactions

\_\_\_ I do not want PARDA Federal Credit Union to authorize and pay overdrafts on my ATM and debit card transactions

I understand that I can change my election at any time and that PARDA retains all rights originally stipulated in the Policy notification I received when Discretionary Overdraft Privilege was added to my account.

Printed Name \_\_\_\_\_ \*Account Number\_\_\_\_\_

Signature \_\_\_\_\_ Date\_\_\_\_\_

\*If you have multiple checking accounts with PARDA, you must opt-in to each account separately.