



## IMPORTANT INFORMATION ABOUT CHANGES TO YOUR HAPO ACCOUNT

### Membership and Account Agreement revised June 2021:

HAPO Community Credit Union has amended its Membership and Account Agreement to further clarify operational policy and procedures related to denial or suspension of accounts or services. We have also added a new section regarding limitations on the amount of time you have to commence action regarding arbitration requests or claims.

**Denial or Suspension of Services.** You agree that we may deny you or suspend your account or account services, if you, or any authorized user of your accounts, account services or access code (1)do not satisfy any qualifications, conditions or requirements for such services (2)breach this or any other agreement with us (3)if we have reason to believe that there has been an unauthorized use of your accounts, services or access devices or codes (4)if you conduct or attempt to conduct any fraudulent, illegal or unlawful transactions (5)engage in any abusive or threatening behavior (6)or, if we reasonably believe your account conduct poses undue risk to the Credit Union. Our suspension of any service may be implemented immediately and prior to notifying you to prevent risk to the Credit Union. We will attempt to notify you of the denied or suspended service, verbally or in writing at the contact information that you have provided. In addition to suspending your account or service access, we may freeze funds in your account if we reasonably believe the risk will cause a loss to the Credit Union.

**Limitation of Time to Commence Action.** Effective September 1,2021 any action or proceeding that either party brings to enforce any obligation, duty or right arising under this Agreement or by law with respect to your account and account services must be commenced within one (1) year after the cause of action accrues. You acknowledge and agree that one year is a reasonable period of time to discover any such cause of action and bring suit or request arbitration, and you expressly waive any reliance on any vested or unvested rights you may have had under any other, longer statute of limitation.

### Overdraft Protection Disclosure revised June 2021:

HAPO Community Credit Union has amended its Overdraft Protection Disclosure to further clarify transaction processing and overdraft determination.

**Overdraft Determination.** Overdrafts will be determined based on the available balance in your account at the time of presentment. However, the Credit Union has no control over the timing when checks or other items are presented or when you deposit funds into your account. Your available balance is your account balance minus any check holds or outstanding ACH, checks or debit card transactions which have yet to post to your account. Any overdraft or returned item fees imposed on your account will decrease your available and actual balance. Also, if you deposit funds to your account after a check or item has been presented and an overdraft occurred, you understand your deposit will not change our overdraft determination or the overdraft fee that occurred prior to your deposit. You can view your available balance through Online Banking and at ATMs to avoid an overdraft. Transactions may not be presented in the order which they occurred. The order in which checks, or items are received and processed may affect if an overdraft occurs. The Credit Union processes checks and items as follows: (i) checks are paid in the order they are presented, (ii) for ACH items, credits are processed first and ACH debits processed second with the lowest items paid first, and (iii) debit card transactions are paid in the order they are presented.



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**Recurring Debit Transactions.** When you establish recurring debit transactions from your account, such as loan or bill payments, you understand those transactions will be presented and processed whether or not you have an available balance in your account. You agree that for any recurring debit transaction that overdraws your account, you agree to pay an overdraft fee as set forth on the HAPO Fee Schedule for accounts. You authorize us to accept and process recurring debit transactions based upon the coding that a merchant may record or submit for the transaction.

**Approve Positive Settle Negative.** *This section applies to members enrolled in Courtesy Pay Debit Coverage.* For debit card transactions involving merchant authorization holds, because there may be a longer delay between an authorization hold being applied and the transaction posting, this can sometimes result in an overdraft fee based on an insufficient available balance at the time of a transaction posting, even if the available balance was sufficient earlier at the time of the authorization hold being applied.

It is important to keep in mind that for debit card transactions, we check your available balance at two separate times – first at the time a merchant authorization request is received, and second, when the transaction “settles” and posts to your account. If your available balance is sufficient to cover a merchant’s authorization request, the authorization request will be approved, and an authorization hold will be placed on your account in the amount of the merchant’s authorization request. If the transaction later “settles” and posts to your account when the merchant or merchant’s financial institution requests payment at a time when the available balance is insufficient to pay the posted transaction without causing an overdraft, we will charge an overdraft fee on that transaction even though the available balance was sufficient to cover it at the time the transaction was authorized.

The following example illustrates how this works:

Assume your actual and available balance are both \$40, and you use your debit card at a restaurant for \$30. If the restaurant requests preauthorization in the amount of \$30, an authorization hold is placed on \$30 in your account, so your available balance is only \$10. Your actual balance would remain \$40.

Before the restaurant charge is “settled” or posted for payment, a check that you wrote for \$40 clears your account. Because your available balance is only \$10 (due to the authorization hold of \$30), your account will be overdrawn by \$30, even though your actual balance is \$40.

In this example, if we pay the \$40 check under our discretionary overdraft services, we will charge you an overdraft fee of \$28, which will be deducted from your account, further increasing the overdrawn amount. In addition, when the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount (which may be \$30 or even a different amount, for example, if you added a tip) to the restaurant. Because the amount of the restaurant charge exceeded your available balance at the time the restaurant charge “settled” (i.e., at the time the merchant or its financial institution requested payment or the transaction posted to your account), we will charge you an overdraft fee of \$28, even though the restaurant transaction was authorized and approved with a sufficient available balance.

**Account Agreements are available within Online Banking. You may request a copy by phone or stop by any of our Financial Centers.**