

Preauthorization Holds – Frequently Asked Questions

What is a debit card preauthorization hold?

When you use your debit card to conduct a Signature/Credit transaction (i.e. you do not enter your PIN), the merchant sends us an amount, usually your purchase total, for preauthorization. This amount is placed on hold and removed from your available balance immediately. The hold is released after approximately 24 hours or when the transaction clears your account, whichever comes first. The hold helps determine the available balance on your account through Internet Banking, mobile banking, the automated teller system and at ATMs.

Will debit card preauthorization holds apply to all my purchases?

No, preauthorization holds only apply to debit card purchases when you sign your name or do not enter a PIN. For example, a debit card purchase made at a restaurant or with an online merchant would be treated as a signature or credit transaction and would be subject to a preauthorization hold. Debit purchases and ATM withdrawals made using a PIN subtract the funds immediately from your account and are reflected in both your current balance and available balance.

Please note: When using your PIN for fuel, the merchant may still send a preauthorization request.

What is the difference between my current balance and my available balance?

Your current balance is the amount of money that is actually in your account at any given time. Your current balance reflects transactions that have “posted” to your account but it does not include transactions that have been authorized and are pending. While it may seem that the current balance is the most up-to-date display of the funds that you can spend from your account, this is not always the case. Your account may have purchases, holds, fees, other charges, or deposits made on your account that have not yet posted and, therefore, will not appear in your current balance.

Your available balance is the amount of money in your account that is available to you without incurring an overdraft fee. Your available balance takes into account holds that have been placed on deposits and pending transactions (such as pending debit card transactions) that the Credit Union has authorized but that have not yet posted to your account.

If your available balance is not sufficient to cover a transaction, we may pay the item and charge you an overdraft fee. An overdraft fee may be charged even though your current balance indicates a positive amount.

For more details on how your available balance impacts overdrafts, [click here](#).

How do debit card preauthorization holds work?

Most members depend on the accuracy of their balances to help them avoid Insufficient Fund or Overdraft fees. Debit card preauthorization holds allow members to view pending transactions to better determine the funds available for use.

For example, if you visit an ATM and see that your available balance is \$100, you may decide to withdraw \$60. Your current balance may be \$200 but \$100 is on hold from a signature or credit transaction you made earlier in the day with your debit card. If the preauthorization hold for \$100 was

not in place, your available balance would appear to be \$200 and you may have withdrawn an amount (above \$100) that would place your account in an overdraft situation when your earlier debit card transaction posted to your account.

Does the Credit Union utilize preauthorization holds to generate more overdraft fees?

No. Preauthorization holds are utilized so that members can check their available balance and obtain a more accurate picture of the funds that are available for withdrawal.

Will the debit card preauthorization hold always equal the exact amount of my transaction?

No. Some merchants, especially gas stations, hotels, car rental companies and restaurants, will preauthorize an amount that is higher or lower than the actual purchase amount.

For example:

Gas stations: Many gas stations preauthorize transactions for amounts ranging from \$1 to \$100 because they do not know how much gas you will actually pump in advance of your transaction. If they preauthorize \$100, we will place a hold for \$100, even if your actual transaction is only \$50. After approximately 2 hours, we will release the hold and those funds will be available to you again.

Hotels: When using a debit card to make reservations in advance, hotels generally will preauthorize an amount equal to an overnight stay, or more, depending on the length of your stay. This will result in a hold on your account up to 24 hours. Then, when you actually arrive, the hotel will place another preauthorization, often larger than the cost of your stay to cover possible incidental expenses. Because these can result in significant holds against your account, we recommend always using your ETPCU credit card for hotel reservations.

Car Rental Companies: When renting an automobile, most car rental companies will authorize an amount greater than the actual rental cost to cover any additional expenses.

Restaurants: Most restaurants authorize an amount that is slightly larger than the bill in the event that you include gratuity on your card transaction.

If a hold is placed on my account and then the transaction posts, is there a chance that the Credit Union will subtract the amount from my available balance twice?

No. When merchants preauthorize an amount that is different from the final transaction total, there is a possibility that the hold and the transaction will not match, and the hold will not release when the transaction posts. If the transaction amount does not match the hold, the system will automatically release the hold on your account in 24 hours.

Do all debit card transactions clear within 24 hours?

No. Some merchants will not send the final transaction through to us within the 24-hour timeframe of the hold. In these situations, the hold will drop off and funds will appear to be available again. However,

the debit transaction still has to post to your account. Unfortunately, we have no control over how quickly merchants process their transactions.

The best way to know the amount of funds you have available for use is to carefully track all of your transactions (including checks, automatic payments, deposits and debit card transactions).

How do I avoid preauthorization holds when using my debit card?

You can use your debit card and select “Debit” and enter your PIN. Keep in mind, most PIN-based transactions clear your account immediately. Or, if you are unable to conduct a PIN/Debit transaction, you can use your ETPCU credit card to conduct the transaction.

Do preauthorization holds apply to my ETPCU credit card?

Yes. All non-ATM credit card transactions are subject to a 96 hour preauthorization hold.

When I make a purchase online or by phone using my debit card, is it processed as a Signature/Credit transaction or as a PIN/Debit transaction?

Online and telephone debit card transactions are generally processed as Signature/Credit transactions because you do not have the option to enter your PIN. These types of transactions will create a preauthorization hold.

Can preauthorization holds on my account be removed?

It is not our policy to remove preauthorization holds unless an error was made. If an erroneous hold was placed or there are extenuating circumstances that may warrant removing the hold, please [contact us](#).

How do I opt in or out for the Credit Union to pay overdrafts for a one-time debit or ATM transaction?

You can [contact us](#) by phone to opt in or out of overdraft as it relates to paying one-time debit or ATM transaction with your debit card. You may also log on to Internet Banking and select the Additional Services tab. If you would like to discontinue enrollment in Overdraft Courtesy completely, including for check and ACH transactions, you may do so by visiting one of our branch locations.

Does the Credit Union offer the ability to link my checking account to other accounts or a line of credit?

Yes. You can set up automatic transfers from another account or an established line-of-credit if the available balance in your account is insufficient to cover a transaction. A transfer fee will apply to each transfer from savings.* If your transfer account and/or line-of-credit do not have sufficient available funds, the transaction may be covered by the Credit Union’s Overdraft Courtesy program.

To learn more about alternative overdraft options, please [contact us](#).

**Subject to Reg D limit*

How can I get more information regarding preauthorization holds?

For additional information, please [contact us](#).