

Understanding Your Account Balance for Overdrafts

Your checking account has two kinds of balances: the current balance and the available balance. You can review both balances when you review your account online, at an ATM, by phone or at a branch. The Credit Union uses your available balance when determining whether a transaction will cause your account to overdraw and for charging overdraft fees.

The information below explains how your checking account balance works – including the differences between your current balance and your available balance. Examples are used to help explain when the Credit Union may charge an overdraft fee due to an insufficient available balance.

You can enroll in (or decline) any overdraft programs at any of our branch locations. To opt-in (or opt-out) of overdraft coverage for your ATM and everyday debit card transactions log on to Internet Banking, call us at 903-323-0230, 800-256-5009, or visit any one of our branches.

Your Current 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.

Example of Current Balance

If you have a \$100.00 current balance and you wrote a check for \$60.00, then your current balance will show \$100.00 because the current balance does not include the pending check transaction which has not yet posted. While your current balance is \$100.00, you have already spent \$60.00.

Your Available 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.

Example of Available Balance

If your current balance and available balance are both \$100 and you swipe your debit card at a restaurant for \$35, the merchant could ask us to preauthorize the payment. The Credit Union would place a “hold” on your account for \$35. Your current balance is still \$100 because the debit card transaction has not yet posted to your account; however, your available balance would be \$65 because you have already authorized the \$35 payment to the restaurant. When the restaurant submits the transaction for payment (which could be a few days later and could be for a different amount if you have added a tip), the Credit Union will post the transaction to your account and your current balance will be reduced.

Example of Overdraft Fee for Insufficient Available Balance

If your current balance and available balance are both \$100 and you swipe your debit card at a restaurant for \$35, a hold is placed on your account and your available balance will be reduced to \$65. Your current balance is still \$100 because the transaction has not yet posted to your account. If a check that you had previously written for \$75 clears through your account before the restaurant charge is sent to the Credit Union for processing – you will incur an overdraft fee. This is because your available balance was \$65 when the \$75 check was paid. In this case, the Credit Union may pay the \$75 check through either the Overdraft Protection Program (if funds are available) or the Overdraft Courtesy Program (if you are enrolled) and charge you the applicable overdraft fee. The overdraft fee will also be deducted from your account, further reducing your balance.

Reliability of Your Available Balance

You can review both your current and available balances when you review your account online, through mobile banking, at an ATM, by phone or at a branch. However, it is important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a particular transaction. This is because your available balance may not reflect all your outstanding checks and automatic bill payments that you have authorized (or other outstanding transactions) that have not yet posted to your account. Additionally, your available balance may not reflect all of your debit card transactions due to circumstances outside of the Credit Union's control.

As demonstrated by the examples below, the best way to know how much money you have available (including all prior checks and authorizations) is to record and track all of your transactions closely.

Examples of Transactions Not Reflected in Your Available Balance

Outstanding Checks and Bill Payments: If you have written checks from your account or have set up automatic bill payments, those transactions will not be reflected in your available balance when authorized. Rather, these transactions will be reflected in your current balance and available balance when the transactions post to your account.

Debit Card Holds: If a merchant obtains the Credit Union's authorization but does not submit a one-time debit card transaction for payment within 24 hours of authorization, the Credit Union must release the authorization hold on the transaction. Since the hold has been released, your available balance would not reflect this transaction until the transaction has been received by the Credit Union and paid from your account.

For additional information on debit card preauthorization holds, please see the [Frequently Asked Questions](#).