

CONSUMER OVERDRAFT PROCESS

Consumer writes \$100 check at Community Grocery

Community Grocery deposits check at their Financial Institution

Financial Institution attempts to post \$100 check against Consumer's account with \$50 balance

Financial Institution offers Overdraft Protection

\$100 Check is Paid

\$30 Fee is Assessed by Financial Institution

If you want your financial institution to continue to offer overdraft protection, **please contact your legislator today** and let him or her know you want this valuable service to continue!!

Call the United States Capital Switchboard:
(202) 224-3121

A switchboard operator will connect you directly with the Senate or House office you request.

Financial Institution does NOT offer Overdraft Protection

\$100 Check is Returned to Community Grocery

\$30 Fee is Assessed by Financial Institution

\$30-\$50 Fee is Assessed by Community Grocery

Consumer has \$20 balance in his/her account

Consumer owes Community Grocery \$130-\$150

Community Grocery may no longer accept Consumer's checks

Consumer may be reported to agencies such as ChexSystems and be prohibited from writing checks to other merchants

If reported, consumer may pay excessive costs of non-banks such as payday lenders, check cashers and pawn shops.

RESULTS

With Overdraft Protection

Consumer owes Financial Institution \$80
 $\$50 \text{ balance} - \langle \$100 \text{ Check} \rangle - \langle \$30 \text{ Fee} \rangle = \langle -\$80 \rangle$

Without Overdraft Protection

Consumer has \$20 in personal account but owes Community Grocery \$130-\$150, may not be able to write more checks and may be subject to Criminal Prosecution.

Financial Institutions provide many useful tools to allow account holders to verify balances and monitor account activity through online banking, 24-hour automated phone service, call centers, ATMs, checkbook registers provided by the financial institution, and teller receipts displaying account balances.