

## Truliant FCU Opts For Opt-In On Overdraft Protection

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WINSTON-SALEM, N.C. – Truliant FCU, agreeing that overdraft protection programs can be costly for members, said it allows its members to opt-in, or specifically agree to participate in the program.

Truliant begins by educating its members to take advantage of a line of credit, which is essentially a short-term loan at a low interest rate. Though the credit union also offers a standard overdraft product, members have the opportunity to understand the product and opt-in, which is contrary to many credit unions and banks who only allow opt-out.

"The fact that our overdraft products are opt-in is one of our many points of differentiation," said Marc Schaefer, president of the \$1.3 billion credit union. "Members have requested that we have an overdraft product and it is our goal to meet their needs, but to do so in the most responsible way possible. We are committed to educating our members on the best possible financial choices and acting in their best interest."

Congress is proposing legislation that would require all credit unions and banks allow customers to opt-in to overdraft protection programs and disclose what the fees would amount to as an annual percentage rate.

Truliant said if a member chooses not to take advantage of a line of credit and signs up for the courtesy pay overdraft, they do so knowing the conditions and the fees that come along with exercising this option when overdrawing their account.

"We urge our members to have a line of credit because the courtesy pay products come with huge interest rates when viewed as a loan," said Schaefer. "Overdraft fees have proven to be very lucrative for financial institutions, and we most certainly receive income from the fees as well, but when our members use overdraft protection, they understand the product options and features and have opted into the service. It's truly a "let the buyer be aware" situation."

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