

Spotlight

A Publication of Cedar Point Federal Credit Union

May 2010



What you need to know about Overdrafts, Overdraft Fees and Overdraft Privilege

When was the last time you balanced your checkbook? Last month? Last year? Never? Without balancing your checkbook, you set yourself up for bounced checks and overdrafts. Balancing your checkbook will not only ensure you know what funds are available in your account, but it will also help you have a better idea where you are spending your money.

- The best way to avoid a non-sufficient funds (NSF) fee of \$30 is to manage your account so you don't overdraw it.
- Keep track of how much money you have in your account by keeping your account register up-to-date.
- Record your ATM withdrawals and fees, debit card purchases, and online payments.
- Don't forget about automatic bill payments you may have set up for utilities, insurance, or loan payments.
- Keep an eye on your account balance, but remember, some checks and automatic payments may not have cleared yet.
- Review your account statements each month.



There are also a number of ways Cedar Point can cover you if you should inadvertently overdraw your account:

- Your checking account is automatically linked to your savings account. If you overdraw your checking account, we can transfer funds from your share savings account to your share draft (checking) account if the money is available, however, these transfers are limited*. There is no fee for this service.
- You can set up an overdraft line of credit. You will need to apply for a "line of credit" just as you would apply for a regular loan. If you overdraw your account, we will lend you the funds by using your line of credit to cover the overdraft. You will pay interest on this loan, but the overall costs may be much less than the cost of a returned item.
- You can take advantage of Overdraft Privilege.

What is Overdraft Privilege?

Cedar Point offers this plan so your share draft (checking) transactions do not bounce and your ATM and Visa Debit Card transactions go through. With this plan, you'll still pay an overdraft fee for each overdrawn item, but you will avoid the merchant's returned-check fee and will stay in good standing with the people you do business with.

How much does Overdraft Privilege cost?

You will incur a fee of \$30 for each item we cover up to your limit.

Example: Suppose you forgot that you had only \$15 in your account and wrote a check for \$25, used an ATM to get \$40 cash, and used your debit card to buy \$30 worth of groceries. In these 3 transactions you've spent a total of \$95—and overdrawn your account by \$80 ($\$95 - \$15 = \80).

If you have Overdraft Privilege we may decide to cover all three transactions. Each of the three overdrafts will trigger a fee. You will owe us the \$80 you spent, even though it wasn't in your account, plus the three overdraft fees of \$30 each, for a total of \$170. However, you won't owe additional returned item fees to the companies you do business with, and you keep your good standing.

What do you need to remember about Overdraft Privilege?

- The best way to avoid overdraft and bounced-check fees is to manage your account so you don't overdraw it.
- Keep track of how much money you have in your checking account by keeping your account register up-to-date.
- Review your account statements each month.
- Avoid using Overdraft Privilege as a short-term loan—it is a costly form of credit.
- If you overdraw your account, get money back into your account as soon as possible to limit your overdrafts.

Good account management is the lowest-cost way to protect your hard-earned money, but if you need Overdraft Privilege, it's good to know it's there.

How can I be sure my account is protected by Overdraft Privilege?

A form was included with your April statement. Please check the box next to "I want CPFCU to authorize and pay overdrafts on my ATM and everyday debit card (POS) transactions." To have your other transactions protected, please contact a member service representative at your favorite branch or call us at 301-863-7071.

* See your Share Rate and Fee schedule for information on limitations.

College Funding Seminar

Wednesday, May 19, 2010 at 11:00am
Estimating the Cost

Evaluating Funding Sources

Developing a College Funding Plan

529 College Savings Plan

With a 529 plan, you can save for anyone
 your child or grandchild, a niece or nephew, a friend or even yourself.

Coverdell Education Savings Account

Education savings accounts can be used to pay for your child's qualified expenses
 from kindergarten through high school, as well as for higher education.

UGMA/UTMA

UGMA/UTMA custodial accounts let you take advantage of your child's lower tax rate
 while saving for your child's education.

Parents' Investment Account

Saving for your child's education through a parents' investment account
 allows you maximum control of the assets.

Countdown to College

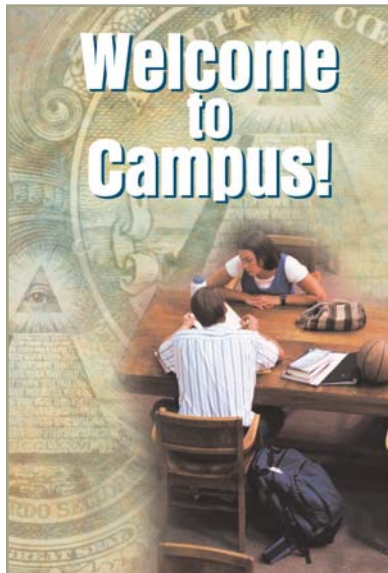
Seminars are free and open to the public, but seating is limited.

Call Dora (ext. 227) or Michele (ext. 232) for more information or to reserve a seat.

301-863-7071

Members are invited to bring their lunch • Drinks and desserts are provided

22745 Maple Road • Lexington Park, MD 20653



You're here, but are you ready?

Financially, that is. Paying big bucks for tuition and books can stretch any budget to the limit.

Cedar Point Federal Credit Union can help. We offer all the services you need to survive your college years.

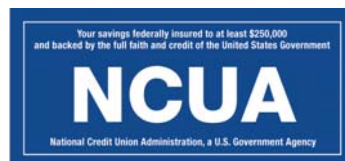
Car loans, share draft (checking), Visa debit cards, MasterCard, share savings accounts, and ATM access are just some of the services we offer busy college students just like you.

Stop in at any of our locations to find out more about how we can help you prepare for your semester.

For Your Information

As of January 31, 2010

Loans \$158,575,961
 Assets \$304,911,069
 Shares \$268,789,474
 Members 29,478



Registered representative of and securities and investment advisory services offered through Hornor, Townsend & Kent, Inc. (HTK), Registered Investment Advisor, Member FINRA/SIPC, 307 International Circle Ste. 100, Hunt Valley, MD 21030, 410-821-2920. Securities are not insured by the FDIC, NCUA or any other bank or credit union insurance; are not deposits or other obligations of the financial institution and are not guaranteed by the financial institutions; and are subject to investment risks, including possible loss of the principal invested. CPFUCU/CPFS is not affiliated with HTK.

Life, Health and Disability insurance is provided by Capital Financial Partners LLC
 CFP (Capital Financial Partners LLC) is licensed to sell life, health & disability insurance in MD, VA, PA, DC, NJ

Insurance coverage is Not a Deposit, Not Guaranteed by the Credit Union, Not Insured by Any Federal Government Agency, and Not NCUSIF Insured.