Second Chance Share Draft
You’ve made some mistakes in the past with a checking account, but now you’re financially responsible and you need a draft account. Clarion Federal Credit Union can help you re-establish a draft account with no monthly service charges or minimum balance requirements.

The Details
Clarion Federal Credit Union’s new Second Chance Share Draft Account gives you all of the benefits of a typical share draft account minus many of the risks. Second Chance Share Draft members receive the standard Clarion FCU debit card that can be used at any location accepting MasterCard and many ATM locations nationwide.

You can also start paying bills with your new checking account – members have free 24/7 access to online banking and telephone banking, so you can issue as many payments and check balances as often as you like.

A Fresh Approach to Checking
To avoid the risk associated with writing checks, the credit union offers online BillPay: you will be able to logon to your account via the internet and issue check or electronic payments to whomever you chose; however, the payment will not be processed unless the funds are currently available in your account. Using BillPay for your check writing needs helps you to avoid overdrafts and the fees those overdrafts create. You may also get up to three counter checks per month for those times when you just can’t pay electronically.

How to Get It
If we are unable to open a regular share draft account for you, then you may be eligible to open a Second Chance checking account. There are two simple requirements you must meet:

1. You must be a member in good standing with no monies owed to the credit union.
2. You must initiate a direct deposit into your new draft account. This may be from an employer, the government, or any other source.
Member Qualifications
1. Applicant must be member in good standing.
2. Applicant must be 18 years of age.
3. Applicant may have overdraft history as reported to Chex Systems; however, applicant will be eligible for the Second Chance Share Draft Account provided they owe no funds to Clarion Federal Credit Union for either a deposit or loan account.
4. The Credit Union reserves the right to impose a sixty (60) day trial period for any new share draft account before issuing a Check-card or ATM card.

Share Draft Agreement
1. A Share Draft account agreement must be executed by each applicant, and kept on file by the Credit Union.
2. Applicants will be asked if they would like Overdraft Protection from their primary Share account.

Drafts
1. Second Chance Share Draft accounts will not offer traditional drafts. Drafts may not be purchased from the credit union, or any other third party. No temporary drafts will be issued.
2. Electronic or paper drafts may be issued through the online bill payment system.
3. Any drafts initiated through the online bill payment system for which account funds are insufficient will not be processed.
4. Members may request up to three counter checks per month made payable to a third party.

Non-Sufficient Funds Activity
1. Any drafts created through the online banking bill payment system for amounts greater than the balance of the draft account cannot be paid unless specific agreements have been executed and funds are available for transfer from the member’s primary Share account. Only six (6) of any combination of pre-authorized or telephone transfers per month are permitted from the Share (savings) account.
2. Overdrafts, even though they are covered by transfer from the primary share account and not returned, are still considered to be overdrafts.
3. The Credit Union is under no obligation to honor and pay any item exceeding the amount available in the Share Draft account.
4. Checkcard (debit card) transactions for which there are insufficient funds to pay must be paid within five (5) days of notification. Failure to do so may result in the loss of checkcard privileges. If the transaction is not paid within ten days, the Share Draft (checking) account will be closed.
5. Any unpaid transactions/fees may be turned over to the Credit Union collection agency for action.

Member Responsibilities
1. Members are to use extreme care in using the Second Chance Share Draft program. If checkcard or online banking login information is lost/stolen, the credit union should be immediately notified.
2. Members are to maintain an accurate record of their transactions and to reconcile their statements in a timely manner, promptly reporting any discrepancies which might develop.

Closing Share Draft Accounts
Voluntary by a Member
1. It is the responsibility of the member to arrange for sufficient funds to cover all outstanding transactions.
2. Checkcards and online banking login information should be destroyed.

Involuntary by the Credit union
1. All rights are reserved by the Credit Union to close Share Draft accounts of any member who abuses the privilege of using this service.
2. Written instruction and notification of this action will be sent to the member by both certified and first-class mail to his/her last known address.
3. Unpaid fees/charges of account that has been forcibly closed by the Credit Union must be paid immediately to avoid legal action. Unpaid fees reported to Chex Systems.

Stop Payments
1. Stop payments may be placed against certain items at the member’s request.
2. Stop payments may not be placed against checkcard (debitcard) transaction.
3. Stop payments will not be placed on ACI items scheduled to clear in less than three (3) days, as these stop payments are ineffective.
4. Stop payments require the member relays complete information.

Charges and Earnings
1. Refer to the Truth-in-Savings Rate & Fee Schedule

Miscellaneous
1. Monthly statements will be provided either on paper or electronically.
2. Any original transaction copies will not be returned to member.
3. The schedule, terms, and conditions may be altered in whole or in part, without prior notice to the members, by action of the Board of Directors.

Purpose: To establish policies and procedures for the administration of Second Chance Share Draft and Mastermoney Checkcard of this Credit Union, which governs the agreements and responsibilities of the members, the officers, and the staff of this Credit Union.

Reference: Section 701.35 of the NCUA Regulations dated August 1988; Section 107 (6) of the Act (12 United States Code, Section 1757 (6)); and applicable state laws.

Responsibility: The Board of Directors must establish/maintain this policy, and will continually revise this policy with input generated by the Manager/CEO, Office Manager, and the Staff.

Policy Statement: This policy will explain the Credit Union’s criteria of these services in the following sections:
- Member Qualification
- Share Draft Agreement
- Drafts
- Non-Sufficient Funds Activity
- Member Responsibilities
- Closing Share Draft Accounts
- Stop Payments
- Charges and Earnings
- Miscellaneous Issues