

Using Your Visa® Check Card at the Pump

Pay at the Pump - How it Works.

When you use your Morrill & Janes Bank Visa Check card at the gas pump there are things going on behind the scene that you don't see. When you first swipe your card the system runs a pre-authorization on your card. The pre-authorization verifies the card is valid and that you have sufficient money in your account to pay for your gas. The challenge is knowing how much you are going to spend, in advance of you pumping your gas. Because the amount is unknown the pre-authorization is run for \$125 - which puts a hold for \$125 on your account.

After you finish pumping your gas, the merchant (gas station) will settle the payment. The settlement may happen right away, or it may happen overnight or the next day - the settlement period is determined by the merchant. When the settlement takes place, the actual amount you spent for gas is charged to your account, and the \$125 pre-authorization hold is removed. But, until the settlement takes place, the \$125 hold will remain on your account.

What if I don't have \$125?

What if you only have \$50 in your account? The pre-authorization will not work and you will not be able to pay for your gas at the pump. But, there are options available that will still allow you to get your gas.

Options—Pre-Pay Inside

Give your check card to the gas station attendant and tell them how much money you want to spend on gas. The attendant will swipe your card and tell the system to pre-authorize only for the amount you want to spend. For example, if you want to spend \$40 for gas, the pre-authorization will put a \$40 hold on your account. When you pump your gas, the pump will shut off at \$40.

Options—Overdraft Privilege - without the overdraft

Overdraft Privilege can be used by you when your account balance is not sufficient to cover check card transactions, ATM withdrawals, or checks paying on your account. There is a fee when we use ODP to cover payments that are more than the <u>available</u> balance in your account. But, if the ODP availability is used to cover a check card pre-authorization, you're not actually using ODP and there is no fee. That's because the pre-authorization is just a hold and not an actual payment on your account.

Let's take a look at an example to see just how it works with a \$100 overdraft privilege limit:

You have \$80 in your account and you want to put \$30 of gas in your car. The gas pre-authorization is going to ask if you have \$125 in your account. But, with the \$100 overdraft limit, it likes you have \$180.00 available to spend in your account. The pre-authorization will put a hold for \$125 on the available amount (\$180) in your account. You have not actually spent the \$125 so you have not used ODP. When the merchant settles the payment, the \$125 hold will drop off and charge the account for \$30. This leaves you with \$50 in your account (\$80 original balance - \$30 for gas) and you didn't use ODP so you aren't charged a fee.

We hope these options might make life easier for you. If you'd like to know more about our Overdraft Privilege program, give us a call or ask a teller or customer service representative for more information and learn how you can Opt-In.

Important Note: Overdraft privilege is intended to be used for protection against inadvertent overdrafts. If you overdraw your account, a fee of \$25 per item is applied to your account. This fee applies to any transaction that overdraws your account including checks, ATM withdrawals, automatic payments, and debit card transactions. If you overdraw your account, it must be returned to a positive balance within 30 days. If you do not return your account balance to positive, or you have used the full amount of privilege available to you, we will not pay additional overdrafts.