



# Using Your Debit Card at the Pump

## Why did VISA make a change?

VISA changed their dispense limit in response to increased fuel prices and consumer complaints about pumps shutting off at \$75. This change is effective June 18, 2011.

## Why in the world does the gas station run a pre-authorization anyway?

When you first swipe your card, the gas station has no idea how much fuel you are going to buy—you could be putting \$40 or \$120 of fuel in your tank. The pre-authorization tells them you have enough money to get at least \$125. When you complete your purchase, they send the bank the actual amount of the purchase, and the pre-authorization goes away.

**If the pre-authorization goes away, what's the problem?** This can sometimes be confusing: it doesn't always go away immediately. Depending on the station you use, it could take minutes to change, or it could be 48 hours. That pre-authorization is holding the funds in your account temporarily until the change is made. Let's look at an example: the station has pre-authorized \$125, but you only buy \$40 in gas. Even though you didn't actually spend the other \$85, those funds are on hold in your account until the station sends the final \$40 charge.

## What if I don't have \$125?

Don't worry. You can always choose to pay inside. When you go into the station, they will pre-authorize only the amount of gas you want to purchase. Tell them you want \$40, they will pre-authorize \$40, and the pump will shut off at \$40.

## Other Options—Overdraft privilege without the overdraft

If you have chosen to opt-in for debit card overdraft privilege, you have the additional credit available to be used for pre-authorization amounts. We also have ready reserve lines of credit that provide the same protection. As long as you do not actually spend more money than you have in your checking account, you never actually overdraw your account, and no fees are charged. Let's take a look at an example to see just how it works:

*You have \$80 in your account, and you know you need to get \$30 in gas and then another \$25 in groceries. But the gas station is going to pre-authorize \$125, which you don't have in your account. If you have opted-in to debit card overdraft privilege, the pre-authorization amount will be checked against your actual account balance, plus the balance available through overdraft privilege or ready reserve. No problem, the \$125 pre-authorization goes through, you get your \$30 in gas, travel on to the store for groceries, and the next morning, the \$125 pre-authorization has disappeared, no overdrafts have occurred, and your account has \$25 in it (\$80 original balance minus the gas and groceries).*

If either of these options might make life easier for you, please give us a call. We'd be happy to explain them in more detail, or help you sign up.

**Important Note:** Overdraft privilege is intended to be used for protection against inadvertent overdrafts. If you overdraw your account, a fee of \$28 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. Your ready reserve line has an annual percentage rate, as well as an \$11 transfer fee each time funds are advanced to return your checking account balance to \$0.