

## Credit Union Faces Customer Suit Over Overdraft Fees

By: Matt Fair

Law360 (December 10, 2018, 5:48 PM EST) -- Members First Federal Credit Union is facing class claims in Pennsylvania state court over its alleged practice of systematically charging overdraft fees on customers even if they have not actually overdrawn their accounts.

The lawsuit comes after what Members First account holder Michael White said were two overdraft charges totaling \$74 that he was hit with in August on transactions he alleged would not have actually sent his balance into the negative.

"Members First is not authorized by contract to charge [overdraft] fees on transactions that have not overdrawn an account, but it has done so and continues to do so," White said in a complaint filed in the Philadelphia County Court of Common Pleas on Thursday.

White accused Members First of breaching their account agreement and violating the covenant of good faith and fair dealing by charging overdraft fees that pushed their customers' balances into the red.

The complaint also alleges violations of the state's Unfair Trade Practices and Consumer Protection Law, which allows companies to be held liable for failing to live up to their guarantees and prohibits making false representations about goods and services.

White, a resident of Lebanon County, said he had made two purchases in August that did not cause his account to overdraw.

Instead, he said, his account only went negative after he was assessed two overdraft charges on the purchases.

This contravened what White said was the "plain, clear and simple language" of the account agreement, which he said promised that Members First would only charge overdraft fees "on transactions with insufficient funds."

White is seeking to represent what he says are thousands of Members First customers who may have been subjected to similar charges on purchases that would not have sent their accounts into the red.

"The representative plaintiff, like all class members, has been damaged by Members First's misconduct in that they have been [assessed] overdraft charges that violate the account contract," the complaint says. "Furthermore, the factual basis of Members First's misconduct is common to all class members and represents a common thread of unfair and unconscionable conduct resulting in injury to all members of the class."

Representatives for the parties did not immediately return messages seeking comment

Monday.

The plaintiffs are represented by Kenneth Grunfeld of [Golomb & Honik PC](#), Jeffrey Kalief of [Kalief PLLC](#) and Greg Coleman of [Greg Coleman Law PC](#).

Counsel information for the credit union was not immediately available.

The case is Michael White v. Members First Federal Credit Union, case number 181200772, before the Court of Common Pleas of Philadelphia County, Pennsylvania.

--Editing by Orlando Lorenzo.