



# Courtesy Pay and Overdraft Protection

## **Q. What is the difference between the Credit Union's traditional Overdraft Protection Program and its Courtesy Pay Program?**

**A.** Our Overdraft Protection program transfers funds from a previously designated account and/or a line of credit to pay an item that overdraws the account on which it is drawn. If available, Overdraft Protection will NOT allow the account to go into a negative balance. There is no fee to sign up for Overdraft Protection. Courtesy Pay is a non-contractual courtesy for eligible members. It is used as a final layer of protection against an item being returned as "NSF". There is no fee to sign up for Courtesy Pay and Courtesy Pay is used only when all other overdraft protection options have been exhausted. Courtesy Pay pays items that would otherwise be returned (with an accompanying NSF fee of \$35.00 each). If Courtesy Pay covers an item, there is no NSF fee, but there is a \$35.00 fee for each item paid by Courtesy pay. NOTE: The Credit Union has no obligation to pay an item under Courtesy Pay. It is a courtesy, which we may extend or revoke at our discretion. On the other hand, Overdraft Protection is a contractual arrangement under which we are obligated to meet the obligations addressed in our agreements.

## **Q. How far overdrawn can my account go under the Courtesy Pay program?**

**A.** We will never encourage you to test the limit of your Courtesy Pay status (if you have it). It is a privilege intended to protect you from the embarrassment and problems associated with overdrafts. It is not intended as an alternative to properly managing your accounts. Frequent abuse of Courtesy Pay or leaving a negative balance for too long can lead to your loss of Courtesy Pay service. Typically, we may pay items that overdraw your account by up to \$500. If you seek greater protection, you should consider our Cash Reserve Line of Credit loan. A Cash Reserve Line of Credit loan costs you nothing to have, and, when used, our interest rates are very competitive.

## **Q. How do I apply for Courtesy Pay?**

**A.** No application is necessary, however you must "opt in" for this service, which is typically done at the time you open your checking account. Accounts in good standing are automatically eligible for Courtesy Pay status. With Overdraft Protection, you can let us know from which account(s) and in what order of use you'd like transfers to be made. Cash Reserve lines of credit are subject to application and approval.

## **Q. How will I know if I have Courtesy Pay on my checking account?**

**A.** You will be notified by us in writing, you can ask a branch employee or you may call to find out. Accounts in good standing, are automatically eligible; however, it is always in the Credit Union's discretion to grant this protection and/or to continue the protection. "Good standing" is defined as:

- No history of fraud or abuse has been discovered
- \$25 or more deposited into your Regular Share/Savings account
- You have met the qualifications for a checking account
- 18 years of age or older
- Your account is not classified as dormant
- Account has a current mailing address
- No outstanding legal orders, garnishments, execution or levies, including bankruptcy notices on your account
- Your account does not have any loans more than 30 days delinquent

## **Q. What transactions will trigger the Courtesy Pay service?**

**A.** If you overdraw your account, Courtesy Pay will cover written checks or preauthorized drafts written to third parties, ACH debits and debit card (point-of-sale) transactions. ATM transactions are not covered by Courtesy Pay.

## **Q. At an ATM, is my Courtesy Pay limit shown in my available balance?**

**A.** No. The Courtesy Pay amount is never shown in your account balance.

## **Q. Is Courtesy Pay a loan?**

**A.** No, it is a non-contractual courtesy to members who maintain their checking accounts in good standing. This service is discretionary on the part of the Credit Union. Your use of the service constitutes your contractual agreement to the terms provided as explained herein.



**Q. How much does Courtesy Pay cost?**

**A.** It is free to have until we pay an item that is drawn against insufficient funds. Then, a \$35.00 Courtesy Pay fee is assessed. If you use Courtesy Pay for two overdrawn items, your account will be charged two separate fees (\$35.00 for each overdrawn item, even on the same day). PLEASE NOTE: This Courtesy Pay fee is the same amount as our NSF fee. The advantage of Courtesy Pay is that you will not be subject to additional NSF fees from a merchant/payee or their bank. Overdraft Protection is different. With Overdraft Protection, no fee will be applied when your checking account requires a transfer from another account in order to cover a check. If you have both Overdraft Protection and Courtesy Pay and unless you instruct us otherwise, we will exhaust your free Overdraft Protection options before Courtesy Pay will be used to cover any insufficient item(s).

**Q. Can I use Courtesy Pay to make a Credit Union loan payment?**

**A.** No. You cannot use Courtesy Pay to make any loan payments or to bring another account to a positive balance.

**Q. When do I have to repay the overdraft?**

**A.** You must bring your account to a positive end-of-day balance within 30 days of the overdraft. Please contact us immediately if you need to make a request for other arrangements.

**Q. What if I do not want Courtesy Pay?**

**A.** You can opt out of the service. Overdrawn items will be returned unpaid, and a \$35.00 NSF fee will be assessed after funds for overdraft protection (if applicable) have been depleted. In addition, you may also be charged additional fees by the merchant/payee.

**Q. Can Courtesy Pay be taken away?**

**A.** Yes. The service can be taken away if your account is no longer in good standing or the Credit Union deems it to be in its best interests to do so. This may include, but is not limited in any way to our belief that you are not properly managing your account. Again, Courtesy Pay is not intended as an alternative to proper account management. It is a courtesy that we offer to help you avoid the embarrassment and multiple costs you may incur from merchants and perhaps legal repercussions associated with NSF items. We may take away the privilege without notice, and will have no obligation to honor any item from the moment of revocation.

**Q. Are you encouraging me to write bad checks?**

**A.** No. We are responding to member requests to pay items that were returned due to an error made by the member. We are providing our members with a valuable service that avoids the multiple costs and embarrassment that you may encounter in dealing with a merchant and perhaps the merchant's bank in these situations. In addition, you may be prosecuted under State laws for uttering insufficient funds items. Courtesy Pay will help you to avoid these problems while it is in effect.

**Q. I thought I had Courtesy Pay. Why did you return my check as NSF?**

**A.** Items are returned NSF when your available Courtesy Pay amount has been exhausted or is revoked by us. We can also return items if you go into a negative balance with a single check which is more than \$500.

**Q. Can I overdraw my account using an ATM card or point-of-sale transaction?**

**A.** ATM transactions are not covered; however, we do offer Courtesy Pay coverage on point-of-sale (POS) or debit card transactions.

**Q. Does the Credit Union offer traditional Overdraft Protection?**

**A.** Yes. It may be in your best interest to apply for one of these programs. There is no fee when we make the transfer in order to cover an overdraft on your checking account under our Overdraft Protection program. You can choose to have Overdraft Protection from the following accounts:

- Savings account
- Cash Reserve, unsecured line of credit