



## Courtesy Pay Disclosure

(Retain for Future Reference)

Please read the following disclosure which provides details about Courtesy Pay. If you have any questions about Courtesy Pay, overdraft protection or any matter concerning your accounts with Fort Knox Federal Credit Union (Credit Union), please call Member Resource Branch at your local number, extension 6400 or if long distance, 800-285-5669, extension 6400.

An overdraft occurs when you make any transaction that exceeds the available balance in the account you access by check, electronically, or otherwise. You agree not to cause an overdraft in any account with us. However, if for any reason we pay any transaction or impose a fee that creates an overdraft, you agree to pay us promptly the amount of the overdraft or fee. The Credit Union has no obligation to notify you of any check or charge that creates an insufficient funds balance in your account(s). Further, if we cover one or more overdrafts, we shall not have any obligation to continue to do so.

Courtesy Pay is a non-contractual service that allows the Credit Union to pay a check written, preauthorized debit (ACH), or if opted-in, ATM withdrawal, or point of sale CheckCard transaction on your account (only on one suffix 9 account per member) even if it causes the account to become overdrawn.

An overdrawn item will be processed in the following order: 1st from overdraft protection, if set up from another account; 2nd from a line of credit, if one exists; 3rd from Courtesy Pay, if you have opted in; and 4<sup>th</sup>, from the Schedule as an insufficient fund (NSF) item.

If Courtesy Pay is used to cover an overdrawn transaction, then you agree to reimburse the overdraft within 30 days. Courtesy Pay provides either \$500 or \$750 in overdraft protection. If you otherwise qualify for Courtesy Pay and receive an electronic direct deposit to your account of \$500 or more within the last 60 days, your protection increases from the standard \$500 to \$750. If you do not receive a \$500 or greater electronic direct deposit during a 60 day period, your Courtesy Pay protection will revert to \$500. You will be assessed the same fee for each item as would be assessed for an NSF item and these fees may exceed your protection amount.

To qualify for Courtesy Pay, you must:

a. Be at least 18 years of age and have a checking account in good standing for at least 60 days.

A checking account is considered to be in "good standing" if it:

- (1) Receives regular deposits to cover transactions
- (2) Achieves a positive balance at least once every 30 days or less
- (3) Has no judicial order present which affects access to or use of it
- (4) Has a valid address

b. Have a positive checking balance

c. Have no charged-off or overdrawn account(s)

d. Have no delinquent (no more than 15 days past due) or charged-off loan(s)

**Opt-in is required to receive coverage on standard check card transactions.** Opt-in decision may be changed at any time. This service does not cost you anything unless the service/privilege is used by initiating a check, electronic funds transfer or other payment or withdrawal request for more than what is available in the account.

**Opt Out.** An account may be removed from Courtesy Pay by you if you no longer wish to have this protection. An account may be removed from Courtesy Pay if the account is closed for abuse. In this case, you will be placed in second chance checking which has a monthly fee as set forth in the Schedule. A separate TIS disclosure will be provided at the time you are placed in second chance checking.

Disclaimer. The Credit Union's Courtesy Pay Program is a non-contractual courtesy and is discretionary. It is not an obligation of the Credit Union and the Credit Union may refuse to provide this service on any checking account at any time and from time to time. The accountholder does not have a contractual right to Courtesy Pay and Courtesy Pay is not guaranteed by the Courtesy Pay Program.

Example #1: Bob's checking account balance is \$50 and he has not signed up for any overdraft protection from savings and does not have an instant cash line of credit loan. He selects items at a grocery store totaling \$75. If he uses his CheckCard and has opted- in, Courtesy Pay would cover the purchase.

Balance before purchase=\$50 Minus

purchase amount = -\$75 Minus

Courtesy Pay amount = -\$25 Minus

Courtesy Pay fee = -\$30 New

Balance = -\$55

Although Bob now needs to make a deposit of at least \$55.00, he appreciates not being declined and being spared the embarrassment and inconvenience of going home without his purchase.

Example #2: Sandy's checking account balance is \$50. She has signed up for overdraft protection from savings which has a current balance of \$105. Also, she has an established instant cash line of credit loan with \$100 available. She has an insurance payment of \$350 charged to her account. The transaction would be processed as follows:

Balance before charge = \$50

Minus insurance payment= -\$350

Plus savings protection = \$100 (\$5 needed for share) Plus

overdraft protection = \$100

Minus Courtesy Pay = -\$100

Minus Courtesy Pay Fee = -\$30

New Balance = -\$130

The overdraft that Sandy created will be taken from the next deposit she makes to her checking account. Sandy should immediately cover this overdraft situation. If not covered on a timely basis, the balance may be taken from any account she has.