

# Courtesy Pay/Overdraft Transfer Protection Disclosure

## Discretionary Courtesy Pay Disclosure



It is the policy of KALSEE Credit Union to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Agreement and Disclosures provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the Signatories and KALSEE Credit Union, with regard to your share draft (checking) account. The Agreement and Disclosures (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Courtesy Pay Disclosure.

KALSEE Credit Union is not obligated to pay any item presented for payment if Your account does not have sufficient available funds. You hold Us harmless for any and all liability which might otherwise exist if We do not pay an overdraft.

## What You Need to Know About Overdrafts and Overdraft Fees

### How does an overdraft occur?

An overdraft occurs when You do not have enough money in Your account to cover a transaction, but We pay it anyway. We can at Our discretion cover Your overdrafts in two different ways:

1. We offer Our Overdraft Transfer Protection plan that links to Your regular savings account.
2. We also have Our standard Courtesy Pay Service which comes with eligible checking accounts.

### Overdraft Transfer Protection

To the extent permitted by law, You authorize Us to transfer your savings account You may have with Us to cover checking account overdrafts. Transfers will be made in increments of the overdrafting item plus applicable fee. Please see the current fee schedule for information on the applicable fees which will be assessed for this service. These transfers will not be allowed on Your Christmas Club, Vacation Club, KASASA Saver, Money Market, or IRA Accounts.

## Courtesy Pay Service

### What is Courtesy Pay?

Courtesy Pay is not a line of credit. Courtesy Pay is an overdraft service that We may at Our discretion extend to You, that can be used to cover overdrafts when there are not funds available in Your qualified checking account or through Your normal Overdraft Transfer Protection. You understand and agree that We may from time to time, pay certain items in order to cover overdrafts, subject to Your then existing Courtesy Pay limit and the amount of the overdraft fee.

### What is the Eligibility Criteria?

At Our discretion and if Your account is in good standing, the criteria to qualify for Courtesy Pay is as follows:

1. < than 90 days you may qualify for \$125.00
2. > than 90 days you may qualify for \$750.00 – Unless you have had your checking account balance go below \$0.00 for any reason or any other checking account issues.
3. Your checking account must remain in good standing defined as a positive balance for at least one full day in every 30 days.
4. Only one courtesy pay limit per EIN/SSN.

### Overdraft Limit/Available Balance

Under the Courtesy Pay service, We may pay overdrafts up to the outstanding limit. Fees and charges of each paid item will be included in this limit. The overdraft balance will not be included or reflected in the actual or “available balance” of Your account and it will not be provided by a teller, ATM, POS facilities, online services or on Your periodic statement.



## Available Balance

Your available balance is the money in Your checking or savings account that's currently available to make purchases, withdrawals, etc. This balance is used to assess overdraft fees or returned item fees. The available balance reflects any processed and pending transaction and any holds. It does not include any checks You have written that have not posted. The available balance is updated throughout the day with posted or pending transactions, such as getting cash from an ATM or making a purchase with Your Debit Card.



## Actual Balance

Your balance is the actual amount in Your account and does not include holds or pending transactions. For example, if You used Your Debit Card to buy gas late at night, the charge would not actually affect Your balance until the transaction post to Your account (when the gas station processes Your transaction).

## Fees

The fee for each paid overdraft and each NSF/Returned item fee is set forth in our fee schedule. Please see the current fee schedule for information on the applicable fees which will be assessed for this service. There is not a limit on the number of overdrafts paid or fees incurred on any one day.

## What transactions are covered by Courtesy Pay?

The Courtesy Pay service covers the following transactions: Share Drafts, ACH debits and Bill Pay.

## What transactions are not covered by Courtesy Pay?

The Courtesy Pay Protection Service does not cover ATM and Point of Sale/Debit transactions, and everyday Debit Card transaction unless You OPT-IN to the program for these types of transactions. If You OPT-IN and later change Your mind, you may OPT-OUT by writing to US at the address in this Agreement or by calling Us at the telephone number shown in the Agreement and informing Us of Your intention to OPT-OUT. We will require that any verbal OPT-OUT be confirmed in writing.

## Payment Order of Items

You understand that if we pay an item it will be cleared in the order that it was presented to or received by Us, regardless of the amount and in accordance with Our normal operation procedures. You further understand that transactions may not be processed in the order in which they occurred and may impact the total number of fees incurred.

The Credit Union processes ACH credits first, ACH debits in the order they are received, checks are cleared in the order they are received and ATM or one time debits (if you have OPTED- IN) are processed as they are presented throughout the day.

## Member Opt Out Right

Courtesy Pay is offered as a service and a convenience to members for incidental overdrafts. We do not encourage You to overdraw Your account. We encourage You to manage Your finances responsibly. There may be other alternatives that would be less costly to You. You may OPT-OUT of the Courtesy Pay service at any time by notifying Us at the address or telephone number shown in the Agreement. We will require that any verbal OPT-OUT be confirmed in writing. You understand that by OPTING OUT of this service, the Credit Union may refuse to pay any check or item that is presented against an insufficient balance on Your account and You will be responsible for any NSF/Returned item fees. You are still responsible to pay any overdraft, even if You OPTED-OUT of the service.

## Member Payment Responsibility

You agree your overdraft balance, including applicable overdraft fees, is due and payable on demand. If there is more than one owner on an account, all owners are jointly and severally liable for repayment of the overdraft balance. If You fail to repay Your overdraft balance after a period of 30 days from the 1<sup>st</sup> date of the overdrawn account we will immediately suspend the Courtesy Pay service. Your accounts may be closed if failure to repay overdraft balances does not occur within 45 days from 1<sup>st</sup> day overdrawn. If the account is closed due to failure to repay overdraft balances, we will report the account closure to consumer reporting agencies.



## Overdraft Transfer Protection Service Authorization/Opt Out

### Add/Opt In to Overdraft Transfer Protection Coverage:

I want the Credit Union to add or I choose to Opt In to Overdraft Transfer Protection from my Regular Savings Account. I understand there will be a per transfer fee for this service and that this transfer will cover any share draft/check, ACH transfer, or any other transactions made using my checking account. Please see fee schedule for per transfer fee.

### Remove/Opt Out of Overdraft Transfer Protection Coverage:

I want the Credit Union to remove or I choose to Opt Out of Overdraft Transfer Protection from my Regular Share Account. I understand that my Regular Savings will no longer or will not be accessible to cover any share draft/check, ACH transfers or any other transactions made using my checking account.

Date: \_\_\_\_\_ Member Signature: \_\_\_\_\_

## Courtesy Pay Protection Service Authorization/Opt Out

### Add/Opt In to Courtesy Pay Overdraft Protection:

I want the Credit Union to add or I choose to Opt In to Courtesy Pay Overdraft Protection Service to my Checking Account. I understand there will be a per item fee for this service and that this protection will cover any share draft/check, ACH transfers or any other transactions made using my checking account. Please see fee schedule for per transfer fee.

### Remove/Opt Out of Courtesy Pay Protection Coverage:

I want the Credit Union to remove or I choose to Opt Out of Courtesy Pay Overdraft Protection Service Coverage to my Checking Account. I understand that by removing this protection, my share draft/check, and ACH Transfers will no longer be accessible to this coverage and I further understand that I will be charged a per item fee for any items that attempt to post to my account and subsequently returned by selecting this option. Please see fee schedule for per item fee.

## Courtesy Pay Protection/Overdraft Transfer Protection Reg E (ATM & Debit Card Access) Opt In/Out

### Add/Opt In Reg E (Debit Card Access) to Courtesy Pay & Overdraft Transfer Protection Coverage:

I want the Credit Union to add or I choose to Opt In of Courtesy Pay Overdraft Protection Service and Overdraft Transfer Protection Coverage for my One Time Debit Card Transactions to my Checking Account. I understand that by adding this protection, my ATM & One Time Debit Transactions using my checking account will be accessible for Courtesy Pay or Overdraft Transfer Protection Coverage. I further understand that by adding this service that I will be charged a per item fee for this service. Please see fee schedule for per item fee.

### Remove/Opt Out of Courtesy Pay Protection & Overdraft Transfer Protection Coverage:

I want the Credit Union to remove or I choose to Opt Out of Courtesy Pay Overdraft Protection Service and Overdraft Transfer Protection Coverage for my One-Time Debit Card Transactions to my Checking Account. I understand that by removing this protection, my ATM & One Time Debit Transactions using my checking account will no longer be accessible for Courtesy Pay or Overdraft Protection Coverage.

Date: \_\_\_\_\_ Member Signature: \_\_\_\_\_

Teller ID: \_\_\_\_\_

