

## Courtesy Pay Disclosures and Agreement

This Courtesy Pay Disclosures and Agreement ("Agreement") describes the circumstances when we (Delta Community Credit Union) will use the Courtesy Pay and/or Courtesy Pay Plus Services to pay overdrafts in your checking account and charge you a fee. This Agreement is incorporated into and made a part of your Membership/Savings Services Disclosures and Agreements and all other agreements between us.

**Note that the SpendSafe Checking account is not eligible for the Courtesy Pay and Courtesy Pay Plus services described in this Agreement and will not incur the Courtesy Pay and NSF fees described herein.**

"Overdraft" means there is not enough available balance in your account to pay for a transaction at the time it is presented to us for payment. Should an overdraft occur, we will first attempt to pay the item by transferring funds to your Checking Account from any approved Personal Line of Credit, Visa Account or other deposit account (such as a Savings Account or Money Market Account) as described in our Member/Savings Services Disclosures and Agreements and any overdraft preferences you have established with us using the Overdraft Protection Update form or similar communication. If funds are not available in any of the above accounts when a transaction posts to your account, we may pay for an overdraft using the Courtesy Pay or Courtesy Pay Plus services described in this Agreement provided you are eligible for and enrolled in such service(s).

Courtesy Pay applies when we pay overdraft checks, Automatic Clearing House (ACH described below) transactions, bill pay, recurring debit card transactions and other payment transactions, other than one-time or nonrecurring debit card transactions. Courtesy Pay Plus applies to all one-time debit card payment transactions. Please note that for everyday debit card transactions, you must affirmatively consent to Courtesy Pay Plus coverage. Without your consent, we may not authorize and pay everyday debit card transactions that will result in insufficient available funds in your account.

If we pay for an overdraft, then we will charge you an Overdraft Fee of \$25. If we decline to pay an overdraft check or ACH payment transaction, such as when a check is returned, then we will charge a Nonsufficient Funds (NSF) fee, which is \$15. You will not be charged any fee if a debit card payment transaction or ATM transfer or withdrawal is declined. Overdraft and NSF fees are described in our Disclosure Supplement, which is updated periodically and is incorporated into this Agreement. Note that you may be charged an NSF fee each time a check or ACH is presented to us, even if it was previously submitted and rejected.

The following is important information regarding your account balance, how transactions are posted to your account, and when an overdraft or NSF fee will be charged. You should read these disclosures carefully. If you have questions, please see a branch representative or call 404-715-4725 or 800-544-3328.

**YOUR CHECKING ACCOUNT BALANCE.** Your checking account has two kinds of balances: the "actual" balance and the "available" balance. Both can be checked when you review your account online, at an ATM, by phone, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. This section explains actual and available balances and how they work.

Your actual balance is the full amount of all deposits, even though some portion of a deposit may be on hold and may not be available to you, less payment transactions that have "posted" to your account, but not payment transactions that have been authorized and are pending. Thus, while the term "actual" may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Any holds for purchase transactions, holds on deposits, or other checks, payments and fees that have not yet posted will not appear in your actual balance. For example, if you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance is \$50 but it does not reflect the pending check transaction. So at that point, you actually have \$50, but you have already spent \$40.

Your available balance is the amount of money in your account that is available to you to use. The available balance is the actual balance less things like holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you were to swipe your debit card at a merchant for \$20, then that merchant could ask us to pre-authorize the payment. In that case, we will reduce your available balance by \$20 because once we authorize the payment, we are obligated to pay. Your actual balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because you have committed to pay the merchant \$20. When the merchant submits its bill for payment (which could be a few days later), we will post the transaction to your account and your actual balance will be reduced by \$20.

We use available balance to determine whether to authorize or reject payment transactions. We also use available balance **at the time transactions are posted (not when they are authorized)** to determine when your account is overdrawn. The following example illustrates how this works:

Assume your actual and available balance are both \$100, and you swipe your debit card at a restaurant for \$60. As a result, your available balance will be reduced by \$60 so your available balance is only \$40. Your actual balance is still \$100. Before the restaurant charge is sent to us for posting, a check that you wrote for \$50 clears. Because you have only \$40 available (you have committed to pay the restaurant \$60), your account will be overdrawn by \$10, even though your actual balance was \$100 before the check posted and is still \$50 after the check posts. In this case, we may reject the check, in which case you will be charged a \$15 NSF fee, or we may pay it but you will be charged an overdraft fee of \$25. That fee will be deducted from your account, further reducing the available balance and actual balance. When the \$60 restaurant charge is presented to the Credit Union and posted to your account, you will not have enough money in your available balance because of the intervening check. We have to pay the debit card transaction once it is authorized, but you will not be charged a fee in this situation because there was sufficient available balance when it was authorized, even though your account has insufficient available balance when the transaction is presented to us for payment.

It is very important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your available balance may not reflect all your outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and posted to your account.

In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) calendar days of authorization (or for up to thirty (30) calendar days for certain types of debit card transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account.

**HOW TRANSACTIONS ARE POSTED TO YOUR ACCOUNT.** There are basically two types of transactions in your account: credits or deposits of money into your account, and debits or payments out of your account. It is important to understand how each is applied to your account so that you know both your actual and available balance at any given time. This section explains generally how and when we post transactions to your account.

**Credits.** Most deposits are added to your account when we receive them. For some checks you deposit, only \$225 will be made available at the time of deposit; the balance will be available two (2) business days later. There may be extended holds on checks over \$5,525 or for other reasons. Thus, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, see the section of your Member/Savings Services Disclosures and Agreements entitled "Reg CC/Funds Availability Disclosure."

**Debits.** There are several types of debit transactions. The most frequent types of debit transactions are described generally below. Keep in mind that there are many ways transactions are presented for posting to your account by merchants, and the Credit Union is not necessarily in control of when transactions are received.

- **Checks.** When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and posted to your account each day. We process the payments from low to high dollar value in each data file.
- **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example, automatic bill pays you have signed up for. Each day, ACH transactions for your account are grouped together and posted in low to high dollar value.
- **Point of Sale (POS) Debit Card PIN Transactions.** These are transactions where you use your debit card and you enter your PIN number at the time of the sale. They are similar to ATM withdrawals because money is usually deducted from your account immediately at the time of the transaction. However, some POS transactions are not presented for payment immediately; it depends on the merchant.
- **Signature Debit Card Transactions.** These are transactions where you make a purchase with your debit card and you do not enter your PIN but you instead may be asked to sign for the purchase. As described above, in these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally place a temporary hold against the available funds in your account. We refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from your available balance. Authorizations are deducted from your available balance but not your actual balance as they are received by us throughout each day. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for posting to your account. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received. **Please note:** the amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, if you use your card at a restaurant, a hold will be placed in the amount of the bill presented to you, but when the transaction posts it will include any tip that you may have added to the bill. This may also be the case where you swipe your debit card at gas stations and hotels and other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment. The fact that we put an authorization hold on your available balance does not mean the authorization is set aside and made available to pay the specific transaction authorized. The hold is simply a reduction in your available balance based on the fact that we have authorized a transaction and the Credit Union is therefore obligated to pay it when presented.
- Debit card transactions can be recurring or nonrecurring. Recurring transactions are where you use your debit card to set up a recurring monthly payment, such as a gym membership. Nonrecurring transactions are one time or everyday transactions that are authorized each time you use your debit card. Using your debit card at a restaurant is an example of a one-time or nonrecurring transaction. We will rely on how the merchant characterizes the transaction for purposes of processing it and your only recourse for an improperly coded transaction is with the merchant who submitted it to us.

This is a general description of how certain types of transactions are posted. These practices may change and we reserve the right to pay items in any order we chose as permitted by law.

Note: Transactions that are declined may be presented to us again for payment multiple times until paid. You may be charged an overdraft fee each time a transaction is presented for payment, even if it was previously declined and a fee was previously charged.

We may receive multiple deposit and withdrawal transactions on your account in many different forms throughout each business day. This means that you may be charged more than one \$25 fee if we pay multiple transactions when your account is overdrawn.

**The best way to know how much money you have and avoid paying overdraft fees is to record and track all of your transactions closely.**

**IF YOU DO NOT UNDERSTAND THIS AGREEMENT OR HAVE ANY QUESTIONS, PLEASE CONTACT US AT 404-715-4725 or 800-544-3328.**

If you prefer not to have Courtesy Pay or Courtesy Pay Plus, please contact us at 404-715-4725 or 800-544-3328. Courtesy Pay Plus can also be cancelled through Online Banking under the "Additional Services" tab.

#### **ADDITIONAL TERMS**

The Courtesy Pay and Courtesy Pay Plus services are not credit products and require no credit application. The service will only be applied to your checking account if:

- You have an active checking account open for more than 60 days with a positive balance;
- Your accounts have not been restricted;
- The primary account owner is age 18 or over; and
- With regard to Courtesy Pay Plus, you have enrolled in the service.

Members must be enrolled in Courtesy Pay to opt into Courtesy Pay Plus.

We are not obligated to pay any overdraft, even if you enroll in the Courtesy Pay Plus service. We will decide to pay overdrafts on a case-by-case basis, in our sole and absolute discretion. Generally, we shall not pay any check or other item/transaction if your negative checking account available balance is greater than \$500. Fees are generally included, which means that the fees are applied toward your total overdraft limit. We may change or remove your limit at any time without prior notice. We may refuse to pay any items without first notifying you, even though your account is in good standing and even if we have paid previous overdrafts.

For your overdrafts cleared, you promise to immediately pay us all sums, including the fees and charges for this service advanced to you or any other person you permit to use your checking account and/or who causes an overdraft on your checking account.

You understand and agree that we may transfer funds to your checking account from any of your other account(s) with us (excluding IRA accounts), including account(s) upon which you are a joint owner, in an amount equal to the overdrawn check, item, or other transaction which we may pay according to the terms and conditions of this disclosure and the Member/Savings Services Disclosures and Agreements and to pay the related fees. In addition to any other rights that we may have, you agree that any deposits or future deposits or other credits to any account in which you may now or in the future may have an interest are subject to our right of off-set for any liabilities, obligations, or other amounts owed to us by you (overdrafts and any related fees and charges) and such is applicable irrespective of any contribution to the account or source of funds in the account. We reserve the right to limit the Courtesy Pay and Courtesy Pay Plus service to one (1) account per household or member without notice of reason or cause.

We may terminate or suspend the Courtesy Pay and/or Courtesy Pay Plus services at any time without prior notice. In no event shall any termination relieve you of your obligation to repay such sums already paid, including but not limited to, Courtesy Pay fees, collection costs, and attorneys' fees, if any.

As described above, we also offer Overdraft Protection using a linked Personal Line of Credit, which may be less expensive than our standard Courtesy Pay and/or Courtesy Pay Plus services. To learn more, ask us about these plans.