

Courtesy Pay Program

The Credit Union recognizes that sometimes you may overdraw your checking account. In such cases the Credit Union may decide to honor checks and other electronic means for which there are insufficient funds. This is the Credit Union's Courtesy Pay Service. The Credit Union provides the Courtesy Pay Service as an accommodation to you and is not obligated to do so, even when it has done so in the past. By default, at account opening, the standard Courtesy Pay service that comes with your account will strive to authorize and pay items such as checks and payments that use the account and routing number. However, it will not cover ATM withdrawals and everyday debit card transactions unless you give affirmative consent (opt-in) for us to do so.

By participating in the program, the Credit Union may honor overdrafts, including checks, automated debits (ACH), point-of-sale (POS) transactions, MasterCard Debit Card transactions, and ATM withdrawals up to your assigned Courtesy Pay limit.

Unless the Credit Union currently has your affirmative consent (opt-in), we will not be able to approve your overdrafts for ATM withdrawal and MasterCard Debit Card transactions. You must tell us you want overdraft coverage for these transactions. To request overdraft coverage for your ATM withdrawal and MasterCard Debit Card purchases, contact us at (760) 337-4200 and we will send you the Courtesy Pay Consent Form to be e-signed (email required) or you may visit any of our branch locations to sign the form in person.

When an overdraft is covered, the account will be taken negative by the dollar amount of the overdraft plus the amount of the Courtesy Pay fee. The maximum dollar amount of overdrafts plus the Courtesy Pay fee the Credit Union will cover for each member varies based on the assigned system generated Courtesy Pay limit.

When the Credit Union honors overdraft items, you must deposit funds immediately, however in no case more than forty-five (45) days from the date the account went negative. If you fail to cover the total overdraft amount within forty-five (45) days, the Credit Union may close your account and pursue all collection options available to it. The Credit Union may, but is not obligated to, transfer funds from other accounts you have with us to cover the overdraft.

The Courtesy Pay Service fee is a flat fee charged regardless of the transaction amount or the amount the account is overdrawn and will be charged for each overdraft item presented and paid by the Credit Union. The charge for Courtesy Pay Service is stated on the Fee Schedule.

The Courtesy Pay Service Fee is assessed on your available balance, not your balance. Your available balance takes into consideration such items as, but not limited to, pending transactions, preauthorization holds, and holds placed on a deposit.

The following example illustrates how this works:

Assume your actual and available balance are both \$40, and you use your debit card at a restaurant to pay your bill totaling \$30. If the restaurant requests authorization in the amount of \$30, an authorized hold is placed for \$30 in your account. Your available balance is only \$10, but the actual balance remains \$40. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 is presented for payment. Because your available is only \$10 due to the \$30 authorization hold, your account will be overdrawn by \$30 when the check transaction is posted to your account even though your actual balance is \$40. This example, if we pay the \$40 check in accordance with our standard overdraft service, we will charge you a fee for overdrawing your account as disclosed in the Fee Schedule. The fee will also be deducted from your account, further increasing the overdrawn amount. In addition, when the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount to the restaurant. The transaction amount may be \$30 or a different amount (for example, if you added a tip). Even though the amount of the restaurant charge exceeds your available balance at the time the charge is settled (i.e., at the time the merchant or its financial institution requests payment or the transaction posts to your account), we will not charge you a fee for overdrawing your account since you had a sufficient available balance in your account at the time the restaurant charge was authorized and approved.

Courtesy Pay Program Consent Form

WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

An overdraft occurs when you do not have sufficient available funds in your account to cover a transaction, but we authorize and pay it anyway. We may cover your overdrafts in two different ways:

1. We have a Courtesy Pay service that comes with your account
2. We also offer overdraft protection plans, such as a link to another share or line of credit, which may be less costly than Courtesy Pay. To learn more, ask us about this protection.

THIS NOTICE EXPLAINS OUR COURTESY PAY PROGRAM

You will find more information in the Membership and Account Agreement and the All About Your Credit Union Accounts Disclosure we provided to you.

► **What is the Courtesy Pay service that comes with my account?**

In the event of an overdraft, we will strive to pay the following transactions up to the dollar amount of the courtesy pay limit assigned to your account:

- Checks
- Automatic Payments
- Recurring Debit Card Transactions
- Any other transaction made using your checking account number

In the event of an overdraft, we will not strive to pay the following transaction unless you give affirmative consent for us to do so:

- ATM Transactions
- Everyday Debit Card Transactions

Courtesy Pay is a discretionary service, which means we do not guarantee we will authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined.

► **What fees will I be charged if Sun Community Federal Credit Union pays my overdraft?**

Under Courtesy Pay:

- We will charge you a fee up to \$30.00 each time we pay an overdraft
- We will not charge you more than ten (10) Courtesy Pay fees per day, per account

► **What if I want Sun Community Federal Credit Union to authorize and strive to pay overdrafts on my ATM and Everyday Debit Card Transactions?**

If you also want us to authorize and strive to pay overdrafts on ATM and everyday debit card transactions, call (760)337-4200, or complete the form below and present it at a branch or mail to: PO Box 4210, El Centro, CA 92244. You can revoke your authorization at any time by any of the above methods.