

Owensboro FCU - Courtesy Pay Disclosure

It is important to use your checking account responsibly and to never intentionally overdraw your account. However, we realize that financial shortfalls happen from time to time and we offer Courtesy Pay as an option for the occasional or inadvertent overdraft of your checking account. As a benefit to our members, we offer these useful services to cover you in the event that you overdraw your checking account.

Overdraft Protection Options:

Transfer from another account – If you have other accounts with us, you can authorize us to transfer the funds to cover your overdrafts. This is limited to 6 transfers per month.

Line of Credit – A line of credit is available to cover overdrafts. This service requires you to complete an application and approval is based on your credit worthiness. The amount of your limit varies.

Courtesy Pay – Courtesy Pay is a discretionary service we may add to your checking account to cover overdrafts up to an established limit, and subject to the eligibility criteria as explained below. With this service, we will strive to pay your overdraft items when presented against Nonsufficient (NSF) funds. Whether your overdrafts will be paid is discretionary and we reserve the right not to pay.

For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits. When we pay overdraft items for you, you will be charged our overdraft fee, currently \$35 for each item that is presented. Both the amount of the overdraft items and all applicable fees, including but not limited to the overdraft fees, are included in the limit. All deposits to overdrawn accounts are applied to the negative balance.

Eligibility – No application is required for the Courtesy Pay; eligibility is at the sole discretion of the Credit Union and is based on you managing your checking account in a responsible manner. Your Courtesy Pay may be suspended or permanently removed at any time based on the following criteria:

- You have an account that has been opened less than 30 days
- You are more than 30 days past due on any Credit Union loan or delinquent on any other obligation to the Credit Union.
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding.
- You have an outstanding balance on an Overdraft Repayment Plan.
- Your account is being reviewed for fraudulent activity or transactions.
- The primary account owner is less than 18 years old.
- A ChexSystems or any other negative indicator has been reported to us.
- Your account is classified as inactive.
- You have an unresolved prior loss with the Credit Union.
- We do not have a valid address for you.
- We believe you are not managing your account in a responsible manner which may harm you or us.

Transactions Eligible for Courtesy Pay Include – Checks, ACH transactions, preauthorized automatic transfers, and in-person withdrawals. Courtesy Pay will **not** be available for ATM and everyday debit card transactions unless you authorize the Credit Union to strive to pay those transaction types (see ATM/Debit Card Consent Form). You may opt out of coverage on everyday debit card and ATM transactions at any time by contacting us via phone at 270-683-1054, or by visiting one of our branches.

Note: If you consented to Courtesy Pay for ATM transactions, please verify your available balance before initiating an ATM cash withdrawal. All overdrafts will be subject to our \$35 overdraft fee for each withdrawal until the account returns to a positive balance.

Closing of Overdrawn Accounts – Checking accounts that remain consistently overdrawn may be closed and/or charged off. Closed and/or charged off accounts may be reported to national credit reporting agencies which may negatively impact your ability to open future banking relationships.

Courtesy Pay Opt Out - You are not required to have this service. If you do not want to have Courtesy Pay, simply contact us via phone at 270-683-1054, or by visiting one of our branches and we will provide you with an opt out form to remove this discretionary service from your account. If you opt-out you will still be charged our \$35 Nonsufficient (NSF) funds fee.

Note: Members who receive a Social Security, federal direct deposit or any other entitlement benefit must Opt-out if they do not want the Credit Union to apply those funds to pay an overdraft.

Payment Order of Items – Items presented may not be processed in the same order as they were received and that order may affect the total fees assessed to your account. Generally the first items that we pay are ACH items, preauthorized automatic transfers, any

other electronic transfers, and then checks. For electronic transactions, our policy is to pay them in the order that they are received. When processing checks drawn on your account, our policy is to pay them according to the dollar amount. We pay the smallest checks first. Any checks presented to a teller to be cashed will be processed immediately. This could be at any time during business hours.

ATM and Debit Card transactions are paid using real time processing, which means they are posted 24 hours a day, 7 days a week regardless of our operating schedule.

Note: All items presented are paid or returned based on your available balance. Please be aware that holds placed on your account for pending debit card transactions, such as hotel or rental car deposits, reduce your available balance and may cause your account to become overdrawn. When using your debit card – with or without your signature – to make a purchase, a hold will be placed on your account for the amount of the authorized expense. We will consider “pending” funds unavailable to be used to pay other items drawn on your account. “Pending” debit card transactions will typically post to your account within 1 to 3 business days.

Financial Education – The Credit Union believes that financial literacy and education helps consumers make informed decisions. Heightened awareness of person financial responsibility helps consumers realize the benefits of responsible money management, understanding the credit process and the availability of help if problems occur. The federal government’s website, www.MyMoney.gov serves as the one-stop shop for federal financial literacy and education programs, grants and other information. To request a personal financial toolkit, call 1-888-MyMoney.

Account Management – Owensboro FCU provides the following for ongoing account management*:

- Mobile Banking - Including text notification for balance and transaction
- Online Banking - Including e-statements for balance and e-notifications
- Telephone Banking

*Please contact us at 270-683-1054, visit our website at www.ofcuonline.com, or visit a branch office for more information on account management options.

Account Agreement – Your account agreement describes the duties, obligations, and rights of depositors, authorized signatories and the Credit Union with regard to your deposit accounts. That account agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. Your account agreement and this disclosure shall be construed so as to minimize conflicts between them.

Waiver: The Credit Union’s forbearance from, or delay in, exercising any of the Credit Union’s rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this Courtesy Pay disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Credit Union’s rights, remedies or privileges.

Remedy: You and the Credit Union agree that the exclusive remedy and forum for all disputes arising out of the Courtesy Pay or your or Credit Union’s performance there under, except for matters you or Credit Union take to small claims court, is arbitration by an independent arbitrator pursuant to the applicable rules of the American Arbitration Association, except as prohibited by law.

Effective Date – All information listed in this disclosure is effective November 1, 2016.