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COURTESY PAY DISCLOSURE

Courtesy Pay is a non-contractual, discretionary, service of paying overdrafts. It is not a loan. Courtesy Pay protects your financial standing and provides a measure of protection against human error. Courtesy Pay is an overdraft program offered by Texas Bay Credit Union ("Credit Union") in addition to our other types of overdraft protection (i.e. overdraft tied to a savings account or an overdraft line of credit). You must meet each of the following criteria to be automatically enrolled in Courtesy Pay: 1.) Account is in "good standing", defined as an account that has not caused a loss to the Credit Union., 2.) No excessive NSF activity, and 3.) No fraudulent transactions completed/attempted by you.

An overdraft occurs when you present a check, pre-authorized ACH, electronic transfer, or returned item for payment, and the payment of the item results in a negative available account balance. Automatic transfers from previously set up and approved overdraft protection account(s) (savings account and/or overdraft line-of-credit) take precedence and will be processed prior to overdrawing a checking account with our Courtesy Pay service.

Guidelines for Courtesy Pay

- 1) Courtesy Pay costs nothing unless it is used to pay checks, ACH debits, recurring debit card transactions, Online Bill Pay payments, or any other payment or withdrawal request for more than is on deposit in the account. It allows the Credit Union to pay an overdraft transaction from a Checking Account instead of declining the transaction or returning the check unpaid.
- 2) Courtesy Pay will only be activated when funds available through other overdraft arrangements have been exhausted.
- 3) No additional paperwork is required to participate in the Courtesy Pay for coverage on checks, automatic payments, or ACH transactions (including "recurring" debit card transactions) and no fees are applied to your account unless the service is used.
- 4) You are required to **OPT-IN** by signing a separate Overdraft Consent form ONLY IF you want the Credit Union to authorize and pay overdrafts for ATM and one-time or non-recurring debit card transaction.
- 5) You may also **OPT-OUT** of Courtesy Pay at any time by notifying the Credit Union. If you opt-out of Courtesy Pay entirely, overdrawn items will be returned unpaid and you will be charged a fee for each item returned unpaid as shown below.
- 6) With Courtesy Pay, overdraft limits are dynamic and are based on algorithms that include several variables. Overdraft limits may change daily or may be reduced to zero when eligibility criteria are no longer met.
- 7) You must bring your account to a positive balance within 30 days from the date of the overdraft.
- 8) Payment of an overdraft may be refused at any time even though we may have previously paid the overdraft. If we do not authorize and pay an overdraft, your transaction will be declined and you may be charged a fee if you do not have another overdraft protection account.
- 9) Payment of overdrafts is discretionary. For example, payment will not be made if your account is not in "good standing" or if you have too many overdrafts.
- 10) If we pay an overdraft on an account with more than one (1) owner on the signature card, each owner drawing/presenting the item that creates the overdraft are jointly and severally liable for such overdrafts plus applicable fees.
- 11) Transactions post in random order as we receive them so we encourage you to keep careful records and practice good account management. This will help you avoid writing checks or drafts without sufficient funds and incurring the resulting fees.
- 12) You must show financial responsibility with your Credit Union checking account (or previous checking account at another financial institution as reported through credit and check reporting services).
- 13) The credit union may limit the number of accounts eligible for Courtesy Pay to one per household.

Fees for Courtesy Pay

- 1) You will be charged a Non-Sufficient Funds (NSF) fee of **\$29.00** only when funds available through other overdraft protection have been exhausted.
- 2) You may also be charged additional fees by the merchant/payee.
- 3) We will limit the combined overdraft item fees charged on any one business day to 7.

Notification of Overdraft and Repayment of Courtesy Pay

- 1) We are under no obligation to notify you before we pay or return an item.
- 2) Each monthly statement will summarize the total amount of Courtesy Pay fees assessed for each month as well the year-to-date total of fees.
- 3) Repayment of the entire overdrawn balance including fees will be required immediately or at least within 30 days of the date of the overdraft.
- 4) If a negative balance is created as a result of using Courtesy Pay, you are responsible for repaying the funds to Credit Union.
- 5) The amount of any Courtesy Pay overdraft, plus applicable fees, is due and payable on demand.
- 6) If you have Direct Deposit, repayment of funds will automatically be taken out of your next Direct Deposit and will require no action on your part.

Courtesy Pay Exclusions (including, but not limited to)

- 1) You voluntarily opt-out of Courtesy Pay.
- 2) You exceed your daily limit.
- 3) If your account remains in the negative for 30 days, Courtesy Pay will be disabled.
- 4) You become over 30 days delinquent on any Credit Union loan.
- 5) You stop making regular deposits to your checking account.
- 6) Fraud, forgery, or abuse is discovered involving any Credit Union account.
- 7) Kiting is suspected between your Credit Union checking account and other similar accounts within or outside the Credit Union.
- 8) You are in violation of any Credit Union policy or procedure.
- 9) You cause a loss to the Credit Union and/or we charge off a loan balance.
- 10) You file bankruptcy or become insolvent.
- 11) The Credit Union feels you are abusing the account.
- 12) Collection efforts will begin on any account that is not brought to a positive balance within 30 days of the date of the overdraft.
- 13) You are under the age of 18.