



Courtesy Pay Account Policy

There are several ways your account may become overdrawn, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you (i.e. debit card at point of sale); (3) the return of unpaid items deposited by you; (4) credit union service charges; or (5) the deposit of items which, according to the Funds Availability Policy, are treated as not yet available.

While we are not obligated to pay any item presented for payment if your account does not contain enough funds, as long as you maintain your account in "good standing," we may approve your overdraft items within your unused Courtesy Pay limit as a non-contractual courtesy. For Courtesy Pay consideration, your account is in "good standing" if you (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all bank fees and charges); (2) avoid excessive overdrafts; and (3) have no legal orders, levies or liens against your account and (4) are current on all obligations/loans to the financial institution. In addition, the Courtesy Pay service may only be available for eligible accounts that have been open for at least thirty (30) days and thereafter you maintain your account in good standing.

If you have more than one account, all eligible accounts will be assigned a limit.

In the normal course of business, there are different kinds of transactions that may be processed on your account. ACH transactions are received multiple times throughout the day in order of receipt, with credits posting before debits. Checks drawn on your account are compiled in data files and paid each day. These items are processed from lowest amount to highest. Pin-based debit card transactions are similar to ATM withdrawals and the money is typically deducted from your account immediately at the time of the transaction. Signature-based debit card transactions may create an "authorization" hold on your account, thus reducing your available balance but not your actual balance by the amount authorized. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its payment processor. These payment requests are received in real time throughout the day and are posted to your account when they are received. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, the order we pay your items may create multiple overdraft items during a single banking day and you will be charged our Courtesy Pay fee of \$25.00 for each overdraft item paid.

You may opt out of the privilege at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined limit assigned to your account. So as not to exceed your limit, remember that the amount of the overdraft **plus** the credit union's Courtesy Pay fee \$25.00 per item will be deducted from the Courtesy Pay limit.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in good standing as defined above, or, if based upon our review of your account management, we determine that you are using Courtesy Pay excessively. We do not assess a fee for returned items.

We will notify you of any nonsufficient fund items paid or returned, however we have no obligation to notify you before we pay or return any item. The amount of any overdraft including our Courtesy Pay fee of \$25.00 that you owe us is due and payable upon demand even if we do not ask you for payment. You must bring your account to a positive end of day balance no later than 30 calendar days after the creation

of the overdraft, or your limit will be suspended. If there is more than one owner on the account, each owner and agent, if applicable, shall be jointly and severally liable for all overdrafts including all fees charged.

Courtesy Pay should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to manage your finances responsibly by keeping track of your account balance and reconciling it regularly. Balances provided do not include the Courtesy Pay limit. Financial education tools may be found at <https://arcfcu.checkingnavigator.com>, www.fdic.gov/moneysmart and www.consumerfinance.gov. If you would like this service removed from your account, please contact 814-946-0857 opt 3.

Your Courtesy Pay limit may be available for each item created by checks and other transactions made using your checking account number, such as an automatic payment (ACH) transaction, automatic bill payment, or recurring debit card payment.

If you request us to do so (opt in), we may authorize ATM transfers or withdrawals and everyday debit card purchases by using your available balance and your Courtesy Pay limit. Your balance at the time these transactions post will determine the overdraft status. Other transactions initiated by you, or a delay in processing authorized transactions by the merchant, may result in previously authorized transactions posting against an insufficient balance. It is our policy not to charge for transactions that are approved on a positive balance but settle on a negative balance. A Courtesy Pay fee of \$25.00 will be charged for each ATM or everyday debit card transaction that is authorized on a negative balance and posts against insufficient funds. Once opted in, you may revoke your authorization at any time by contacting us at 814-946-0857 opt 3.

Multiple paid items will result in multiple fees. For example, three paid items in one day will result in \$75.00 in Courtesy Pay fees. To help you manage your account, the total fees you have paid for items (both paid and returned) during the current statement cycle and for the year-to-date will be reflected on your monthly checking statement.

If you would like to revoke your previous authorization for ATM and debit card transaction coverage, or have this service removed entirely from your account, please call 814-946-0857 opt 3.

LIMITATIONS: Courtesy Pay is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or business use. ARC Federal Credit Union reserves the right to limit participation to one account per household or business and to suspend, revoke, or discontinue this service without prior notice. **If your limit is suspended, unless we notify you otherwise or you request this service be removed from your account, your limit will be made available to cover overdrafts again the first business day after you bring your account back to “good standing”, as described above.**