

# Courtesy Pay Disclosure



This Courtesy Pay Disclosure describes the circumstances when we (the 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. "Overdraft" means there is not enough available balance in your account to pay for a transaction. 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, we may pay for an overdraft using the Courtesy Pay or Courtesy Pay Plus service if you are enrolled in such service, and you will be charged a Courtesy Pay fee as described in the Disclosure Supplement, which is updated periodically.

Please note that for one-time debit card transactions, you must affirmatively consent to this coverage, which is called Courtesy Pay Plus. Without your consent, we may not authorize and pay a debit card transaction that will result in insufficient available funds in your account.

The following is important information regarding your account balance, how transactions are posted to your account, and when a Courtesy Pay 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 most ATMs, 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 amount of money that is actually in your account at any given time. It reflects transactions that have "posted" to your account, but not transactions that have been authorized and are pending. 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 purchases, holds, fees, other charges, or deposits made on your account 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, which 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 without incurring an overdraft fee. The available balance takes into account 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 use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment. In that case, we will put a "hold" on your account for \$20. 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 restaurant \$20. When the restaurant 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.

Available balance is used to determine when your account is overdrawn. The following example illustrates how this works:

Again, assume your actual and available balances are both \$50, and you swipe your debit card at a restaurant for \$20. A hold is placed on your account, so your available balance is only \$30. Your actual balance is still \$50. Before the restaurant charge is sent to us for processing, a check that you wrote for \$40 clears. Because you have only \$30 available (you have committed to pay the restaurant \$20), your account will be overdrawn by \$10, even though your actual balance is \$50 before the \$40 check posts. In this case, we may pay the \$40 check, but you will be charged a Courtesy Pay fee. That fee will be deducted from your account, further reducing both the actual and available balances.

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 paid from 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) business days of authorization (or for up to thirty (30) business 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 how much money you have and how much is available to you 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 \$200 will be made available at the time of deposit; the balance will be available two (2) business days later (unless we receive notice that the check will be returned by the issuing institution). There may be extended holds on checks over \$5,000 or in other situations. 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 Agreement entitled "Reg CC/Funds Availability Disclosure."

**Debits.** There are several types of debit transactions. Each type of debit transaction is described generally below. Keep in mind that there are many ways transactions are presented for payment 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 paid each weekday excluding Federal Reserve holidays, usually in the evening. We process the payments from low to high dollar value.
- **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 paid in low to high dollar value.
- **Point of Sale (POS) Debit Card 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 sign for the purchase instead of entering your PIN. 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, 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 payment. 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. Sometimes these merchants may place a hold in excess of the final charge; for instance, if you provide your debt card when you check into a hotel to pay for any incidentals, the hotel may request an authorization for several hundred dollars in anticipation of expenses you may incur during your stay. When you check out of the hotel, that hold may be removed or posted for the exact amount of your expenses. However, until that happens, the amount of the authorization requested by the hotel may be unavailable for use in your account to pay other items such as checks and other debit card transactions. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

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 choose as permitted by law.

## Courtesy Pay Disclosure



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 Courtesy Pay fee if we pay multiple transactions when your account is overdrawn.

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

**IF YOU DO NOT UNDERSTAND THIS DISCLOSURE 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;
- You have no loans or Visa accounts with Delta Community Credit Union which are more than 30 days delinquent;
- Your accounts have not been restricted;
- 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. However, we shall not pay any check or other item/transaction if your negative checking account balance is greater than \$500. Fees are excluded, 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 or member per household 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.

Please refer to the Disclosure Supplement for fees regarding Courtesy Pay and Courtesy Pay Plus and non-sufficient funds whether items are paid or returned as unpaid.