

1st Community Federal Credit Union
Courtesy Pay Policy
Effective March 31, 2020

We want to educate you on the overdraft coverages available in the event funds do not exist in your checking account to cover a purchase or transaction. We have several ways these transactions can be covered:

1. Overdraft Protection Plans –

- a. We can set up an Account to Account Transfer from a share/savings, a Special, Business, Vacation, Education or Travel club, and available funds will be transferred to cover the transaction that would overdraw your checking account. These transfers are limited to 6 free per account/per month in accordance with Reg D, or additional fees for excessive transfers will apply.
- b. We can set up an Account to Account Transfer from a separate checking account, and available funds will be transferred to cover the transaction that would overdraw your checking account. There is no limit to the number of transfers and no fees for this service.
- c. You can access your approved “1st Cash” Unsecured Line of Credit (you must have applied and been approved) amount available to cover you when a transaction overdraws your account. There is no transfer fee but you will owe interest based on the APR on the “1st Cash”.

2. Standard Overdraft Practices –

- a. We also have our Courtesy Pay program in which we will strive to pay checks and automatically recurring bill payments when funds are not available in your account or through any other overdraft protection option you have chosen. When an account has insufficient funds, a \$30.00 fee is charged for every non-sufficient funds item whether the item is paid or returned unpaid. It is the obligation of the Credit Union to operate in accordance with all safety and soundness standards. Therefore, a continual evaluation of all accounts is performed to determine if it is financially sound to honor items that may cause an overdraft situation for a particular account. The account criteria evaluated are:
 - Age of Account
 - Deposits Balances
 - Deposit Regularity
 - Previous Courtesy Pay program activity
 - Account Status relating to any legal or administrative order or levy
 - Status of Loan Obligations with the institution
 - Member otherwise in good standing with the credit union
- b. We can extend this Courtesy Pay program account feature to your everyday debit and ATM transactions with your acknowledgment. If you choose to request this service and funds do not exist in your account, we will strive to pay those everyday debit purchases and ATM transactions. If we do need to cover an item for you, you would be charged a fee of \$30.00 per transaction that overdraws your account.

The Credit Union is not obligated to cover any items, defined as checks, ATM withdrawals, Point of Sale (POS) or debit card transactions, preauthorized debits, or any other electronic transactions, presented for payment if the account does not contain sufficient collected and/or available funds. Furthermore, service charges assessed against items presented against the account, do not obligate the Credit Union to pay said request for funds, nor does it obligate the Credit Union to provide prior written notice of the decision to refuse payment. Should a check be submitted or a transaction be made for funds exceeding what is available in the account, pursuant to the Depositor’s Account Agreement, the account holder is responsible for the amount of any overdraft and applicable fees immediately. It is the obligation of the account holder to keep their account in good standing with the institution and to bring their account to a positive balance immediately should an overdraft situation occur, without notice or demand from the Credit Union.

If you would prefer that the Credit Union not honor any items when there are not sufficient funds in the account, you may opt out of this Courtesy Pay discretionary service, by contacting the Credit Union and expressing this preference. You are fully aware that without this discretionary service or some other form of overdraft protection, such as an account transfer or line of credit (which is offered to qualified accounts), any items presented that overdraw the account may be returned unpaid with the applicable non-sufficient funds fee charged to the account for each item.

The Depositor's Account Agreement prescribes the duties, obligations and rights of the Depositor, as well as the Authorized Signatories and the Credit Union with regard to the account. The terms of the Depositor's Account Agreement supersedes the overdraft policy in any potential conflict of interests.

What You Need to Know about Overdrafts and Overdraft Fees

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices (Courtesy Pay) that come with your account.
2. We also offer overdraft protection plans, such as a link to a savings account, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our standard overdraft practices.

➤ **What are the standard overdraft practices that come with my account?**

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments

We do not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- ATM transactions
- Everyday debit card transactions

We pay overdrafts at our discretion, which means we do not guarantee that we will always 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 1st Community Federal Credit Union pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of \$30 each time we pay an overdraft.
- There is no limit on the total fees we can charge you for overdrawing your account.

➤ **What if I want 1st Community Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

Under our standard overdraft practices: If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call 325/653-1465 or 800/749-1465, visit www.1cfcu.org, or complete the form below and present it at any branch or mail it to 1st Community FCU, 3505 Wildewood Drive, San Angelo, TX 76904.

_____ I do not want 1st Community Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

_____ I want 1st Community Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____

Date: _____

Member/Account Number _____