

# Healthcare Financial FCU Courtesy Pay Disclosure June 1, 2019

## What You Need to Know about Overdrafts and Courtesy Pay 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 offer Courtesy Pay, our standard overdraft program, which automatically comes with qualifying checking accounts.
2. We also offer overdraft protection plans, such as a link to a savings account or an overdraft line-of-credit, which may be less expensive than Courtesy Pay.

This notice explains our standard overdraft practices for Courtesy Pay.

Courtesy Pay is an overdraft program offered by Healthcare Financial Federal Credit Union (HCFFCU) in addition to our other types of overdraft protection (i.e. overdraft tied to a savings account or an overdraft line of credit). Courtesy Pay is available only on personal Checking Accounts. All members who meet each of the following criteria are automatically enrolled in Courtesy Pay: a) Account is in "good standing", defined as an account that has caused no loss to HCFFCU, b) Minimum duration of credit union membership is 90 days, c) No more than one 30 day delinquency on a credit union loan in the past year.

What type of overdrafts will Courtesy Pay cover?

Courtesy Pay will allow us to authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments, including "recurring" debit card transactions

HCFFCU will not authorize and pay overdrafts for the following types of transactions unless you Opt-in:

- ATM transactions
- One-time or non-recurring debit card transactions

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What fees will I be charged if HCFFCU pays my overdraft through Courtesy Pay?

Courtesy Pay will automatically provide qualified members with the ability to overdraw their personal Checking Account up to \$500 for a \$32 per-item fee. Courtesy Pay fees are included in the \$500 maximum. Courtesy Pay will only be activated when funds available through other overdraft arrangements have been exhausted. The Courtesy Pay overdraft program provides a service to our members that will protect their financial standing and provide a measure of protection against human error, while imposing a fee at a fair and reasonable cost. The credit union may limit the number of accounts eligible for Courtesy Pay to one per household.

Courtesy Pay costs nothing unless it is used to pay checks, ACH debits, debit card transactions, ATM withdrawals, Online Bill Pay payments, or any other payment or withdrawal request for more than is on deposit in the account. It allows HCFFCU to cover (pay) any overdraft transaction from a Checking Account instead of declining the transaction or returning the check unpaid. Please be aware that we have no obligation to notify accountholders before we pay an item. There is a maximum of 5 overdraft fees charged in one day (\$160.00).

If an outstanding balance is created as a result of using Courtesy Pay, the member is responsible for repaying the funds to HCFFCU. The amount of any Courtesy Pay overdraft, plus applicable fees, is due and payable on demand. If the member has Direct Deposit, repayment of funds will automatically be taken out of the member's next Direct Deposit and will require no action on the member's part. If an account remains in the negative for 15 days, our Collections Department will send the member a letter disclosing the total dollar amount overdrawn. If we pay an item on an account with more than one (1) signer on the signature card, each owner and/or agent drawing/presenting the item, thereby creating the overdraft, are jointly and severally liable for such Courtesy Pay overdrafts plus applicable fees.

This non-contractual and discretionary courtesy of paying overdrafts requires no accountholder action. It is not a loan. No additional agreements need to be signed. We are not obligated to pay any item presented for payment if the account does not contain sufficient collected funds. However, for any member who meets the above criteria, we may, at the credit union's sole discretion, pay overdrafts not to exceed a total of \$500 plus applicable fees for each item paid.

Courtesy Pay may be revoked by the credit union for, but not limited to, the following reasons:

- a) member exceeds the \$500 maximum limit,
- b) member becomes unemployed,
- c) member has a delinquent loan,
- d) member requests to opt out of the service,
- e) member files bankruptcy,
- f) we charge off a member's loan balance,
- g) the credit union feels the member is abusing the account.

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The order in which items (such as checks/drafts and debit card transactions) are paid is important if there is not enough money in your account to pay all of the items presented. When processing checks drawn on your account, our policy is to pay each batch in numerical sequence by check number and lower numbered items are paid first. Exceptions may apply.

Checks are the only items that we post to your account with a numerical sequence. As a result, other transactions post in random order as we receive them. 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.

This service is not an obligation of the credit union and the credit union may refuse to provide the courtesy on any Checking Account at any time and from time-to-time. The accountholder does not have a contractual right to Courtesy Pay, nor is it guaranteed by the Courtesy Pay plan. We may refuse to pay an overdraft at any time, even though we may have previously paid the overdrafts. If we do not authorize and pay an overdraft, your transaction will be declined.

If you want Courtesy Pay to cover ATM transactions and one-time or non-recurring debit card transactions (in addition to checks and automatic bill payments), you will need to opt-in. You have the right to revoke this consent at any time.

You may also opt-out of Courtesy Pay. If you opt-out of Courtesy Pay entirely, overdrawn items will be returned unpaid and a \$32 NSF fee will be assessed after funds from other overdraft protection (if applicable) have been depleted. You may also be charged additional fees by the merchant/payee.

To receive additional information on how to opt-in and opt-out, please call our Member Services Department at 203-680-8638 or email us at [info@hcffcu.org](mailto:info@hcffcu.org).