

Unforeseen circumstances happen to all of us. And sometimes, they seem to happen at just the wrong time. Whether it is an unanticipated car repair, a mistake while balancing your checkbook or unexpected expenses, these situations can cause stress and embarrassment and can impact personal financial management.

We at Healthcare Financial Federal Credit Union understand these events can happen to all of us. That's why we offer a Courtesy Pay program.

## **What Is Courtesy Pay?**

The Courtesy Pay program is a service offered to eligible members that will provide a limited amount of overdraft protection from which we may authorize and pay checks, ACH/Electronic Items and everyday debit card transactions (subject to certain requirements applicable to debit card transactions) initiated for payment against your eligible checking account. While Courtesy Pay is not a loan, it may cover items such as checks, up to a \$500 limit, when account funds are not available. That means, instead of returning a check to the merchant because of insufficient funds, HCFFCU may pay your check, ACH/Electronic Item and everyday debit card transactions (subject to certain requirements applicable to debit card transactions), saving you additional charges from merchants as well as the embarrassment of an inadvertent overdraft.

## **What Is an Overdraft?**

An overdraft occurs when the available balance in your checking account is insufficient to cover a transaction, but we pay it anyway.

## **How Is My Available Balance Determined and Why Is It Important?**

The available balance in your account plays a significant role in the operation of your account and in determining whether a transaction will result in an overdraft. Your available balance is the balance in your account that we use to determine if you have sufficient funds to cover a transaction. Your available balance is the most current record we have about the funds that are available for withdrawal from your account. In determining the available balance in your account, we will consider all transactions that have posted to your account, any holds that may be in place on deposits you have made, and pending transactions (such as pending debit card purchases) that we have authorized but have not yet posted to your account. It's important that you know that transactions are generally not processed in the order in which they occurred. The order in which transactions are received and processed by us can affect your available balance and the fees that you incur for overdrafts.

## **What Is Authorization Holds for Debit Card Transactions?**

When you make a purchase with your debit card, the merchant may seek our prior authorization for the transaction. We generally place a temporary hold against some or all of the funds in the account linked to your debit card if and when an authorization request is obtained. We refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from your available balance (generally in real time as they are received by us throughout each day). The amount of an authorization hold may differ from the actual transaction amount. We are permitted to place an authorization hold on your account for up to three (3) business days (or for up to thirty (30) business days for certain types of debit card transactions) from the time of the authorization. For additional information on

authorization holds, please see the section entitled Authorization Holds for Debit Card Transactions in our Disclosure of Account Information.

### **How does Courtesy Pay work?**

Overdrafts on your eligible checking account, up to a limit of \$500, including the amount of the overdrawn item(s) and the Courtesy Pay fee(s), may be honored by HCFFCU. A Courtesy Pay fee of \$32.00 will be assessed for each item that draws your account negative. This is subject to certain requirements applicable to debit card transactions. Our daily limit fee charge for Courtesy Pay or Returned Item fee per day is \$160.00 (5 items per day).

You must then bring your account back to a positive balance immediately or as soon as possible, and at least once every 15 days, either through a direct deposit, transfer of funds or a deposit at either of our full-service ATMs or one of our branches.

### **What If I Already Have Overdraft Protection?**

If you have established alternate overdraft protection methods such as a line of credit or automatic transfer from your other accounts, we will look first to these methods of overdraft protection before applying our Courtesy Pay program.

### **Do I Have to Apply for This Service?**

When you open an eligible checking account type, you are automatically enrolled in the Courtesy Pay program for checks and ACH/Electronic Items. You must provide your consent (**opt in**) to take advantage of **Courtesy Pay**.

As long as your eligible checking account is in good standing, you may remain enrolled in Courtesy Pay for checks and ACH/Electronic Items. You may also revoke your opt in to the debit card feature at any time. You may revoke your **opt in** by visiting one of our branches, logging into Online Banking under the Self Service tab or contacting Member Services at **203-680-8638**

### **Who Is Responsible for Ensuring That Funds Are Available in My Account to Cover Transactions?**

**Please remember that the responsibility for ensuring that the funds in your account will cover a transaction is yours.** You should keep a running balance of the amount of funds in your account to ensure that there are sufficient funds in your account. We provide various tools that will help you manage your account, such as online banking and mobile banking applications. Please remember that the balance displayed using these tools may be either your available balance or your account balance. It is important that you understand the difference between these two balances. Your available balance is the most current record we have about the funds that are available for withdrawal from your account (but does not include certain pending transactions as described in greater detail previously under "How Is My Available Balance Determined And Why Is It Important"). Your account balance, on the other hand, is simply the current posted balance in your account. It includes only deposits and withdrawals posted to your account. Your account balance does not include any pending transactions and may include deposits that are not yet available for withdrawal.

For a variety of reasons, neither your available balance nor your account balance may represent the funds in your account that will be available to cover a particular transaction at the time you enter into it (such as delivering a check to a merchant) depending on a number of factors, including, without limitation, how and when the transaction is presented to us. **The responsibility for ensuring that a transaction will not overdraw your account is yours.**

### **Important Courtesy Pay Information**

The Courtesy Pay program is a service offered to eligible members that will provide a limited level of protection from insufficient funds, returned checks, ACH/Electronic Items, everyday debit card transactions and returned check charges from merchants. Under the program, HCFFCU may overdraw your checking account up to \$500, which includes any fees associated with the program. The \$500 limit may be reduced by non-program transactions and applicable fees affecting your checking account balance.

You must maintain your eligible checking account in good standing. This includes, among other requirements, the following:

1. You are not in default on any loan obligation with us;
  2. You bring your account to a positive balance at least once every fifteen days; and;
  3. Your account is not the subject of any legal or administrative order or levy.
- If you meet these requirements, we may, at our sole discretion, pay overdrafts up to the limit mentioned above, including Courtesy Pay fees. Whether we pay or return an item, your account will be assessed a \$32.00 fee, either as a Courtesy Pay fee or a Returned Item fee. This is subject to certain requirements applicable to debit card transactions. Our daily limit fee charge for Courtesy Pay or Returned Item fee per day is \$160.00 (5 items per day).

HCFFCU is committed to keeping our members informed. If you have any questions regarding our Courtesy Pay program, please do not hesitate to contact Member Services at **203-680-8638**.

Subject to a maximum of six overdraft (Courtesy Pay) fees per day, a Courtesy Pay fee of \$32.00 will be imposed each time we pay an overdraft on checks and ACH/Electronic Items and, if you are opted in to Courtesy Pay for Everyday Debit Card Transactions, on everyday debit card transactions. Once an overdraft has occurred, you must bring your account to a positive balance (not overdrawn) immediately. Whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing.