

## **BESSER CREDIT UNION (Courtesy Pay Policy)**

**Adopted: Aug. 24, 2010**

**Revised:**

### **GENERAL POLICY STATEMENT:**

It is the policy of Besser Credit Union to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards with offering an overdraft privilege program to its membership.

As a benefit to our members, we are offering this useful feature on our checking account products-Courtesy Pay. With Courtesy Pay, we may pay non-sufficient-funds (NSF) checks and fees up to a pre-approved limit as set forth in this policy and guidelines. This feature can save our member time, embarrassment and the additional fees charged by other companies or Third parties due to returned transactions.

### **GUIDELINES:**

Besser Credit Union's Deposit Account Agreement & Disclosure which is provided to the members at the time of account opening process clearly outlines and controls the duties, obligations and rights of the Depositor, the Authorized Signatories, and Besser Credit Union in regards to the member's share and share draft account at B.C.U. The Deposit Account Agreement (and all amendments thereto) and its terms shall control any provision of this Discretionary Courtesy pay policy and the Deposit Account Agreement and Disclosure. Members can request additional copies of the Deposit Account Agreement and Disclosure at any given time from a Besser Credit Union member service representative.

Discretionary Courtesy pay is not a line of credit. However, if members inadvertently overdraw their accounts, Besser Credit Union will have the discretion to pay the overdraft, subject to the limit of member's overdraft privilege and the amount of the overdraft fee as set forth in this policy. Besser Credit Union is not obligated to pay any item presented for payment if member's account does not contain sufficient available funds. Any discretionary payment by Besser Credit Union of an overdraft share draft (or items, such as ATM withdrawals or one time debit card transactions) does not obligate Besser Credit Union to pay any other overdraft share draft (or item), or to provide prior notice of its decision to refuse to pay such share draft (or item).

### **TRANSACTIONS AFFECTED:**

Transactions that can impact a draft account that may be subject to the overdraft policy include but are not limited to checks, ACH and recurring Debit Card withdrawals. **ATM and one-time debit card transactions require member Opt-In. An Opt-In Consent Form for ATM/Debit Card transactions must be completed for this coverage.**

## **CONDITIONS FOR THE PRIVILEGE:**

### **Eligibility:**

Member Personal checking account opened for at least (30) days

Member Business Checking account opened for at least (60) days

### **Other criteria:**

### **Account in Good Standing:**

- 1.) Not being in default of any loan or other obligation of Besser Credit Union
- 2.) Not being subject to any legal or administrative order or levy, including bankruptcy.
- 3.) Being at least 18 years of age
- 4.) Account may not be dormant
- 5.) The members address on the account must be valid
- 6.) Bringing any account balance to a positive balance within every thirty (30) day period for a minimum of 24 hours.

### **LIMITS:**

#### **“Courtesy Pay” Limit -**

Member Personal Checking - \$300 -- Member Business Ch.- \$500

(Based on qualifications). Unless otherwise approved by CEO/Manager/Asst. Manager –

Besser Credit Union will have the discretion to pay overdrafts within the overdraft limits, but payment by Besser Credit Union is a discretionary courtesy and not a right of the member or an obligation of Besser Credit Union.

The Total of the privileged “Courtesy Pay” (negative) balance, including any and all fees and charges, including all non-sufficient funds/overdrafts fees is due and payable on demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the deposit account agreement and disclosure with a maximum repayment period of (30) days.

### **COST OF OVERDRAFT PRIVILEGES**

Fees & charges will be included in the maximum amount allowed.

**Fee: \$20 (non-return fee) on transactions over \$15.**

#### **Other Options available that will cost you less:**

Besser Credit Union will always apply the least expensive option available to cover our member’s overdrafts. 1st - if funds are available, funds will transfer from the share account for a minimal fee. 2<sup>nd</sup> - if funds are not available in the share account, the system will look for a “Line of Credit” to transfer funds from for a minimal fee. (See current Fee Schedule for fees associated with these options). **If none of these options are available;**

Besser Credit Union will have the discretion to pay overdrafts on accounts in good standing as described above. Any such payment is a discretionary courtesy, and not a right of the member or an obligation of Besser Credit Union.

## **YOUR RIGHT TO OPT OUT OF COURTESY PAY COVERAGE- OPT-IN/OPT-OUT**

You must OPT-IN to receive Courtesy Pay protection on ATM withdrawals and one time Debit Card transactions. You may change your option at any time.

Members may tell us **NOT** to pay overdrafts for ATM withdrawals and debit card purchases they make at a store, online, or by telephone if you they previously OPT-IN to this service. If they do, we will decline these transactions if there are not sufficient funds in the checking account to pay these transactions.

**They will no longer have any “OFF LINE LIMITS” set on their account. As a result a member may pay fewer overdraft fees, but their sales may be declined.**

**There is no action required for Courtesy Pay protection on checks and automatic debits.**

Members have the right to OPT-OUT of Courtesy Pay coverage at any time upon written notice even though they had OPT-IN at some point in time.

## **COLLECTION OF NEGATIVE ACCOUNTS**

The collection of Negative draft accounts is governed by our (Negative Share & Draft Procedure) – See copy attached. Last revised 8-17-2010.

## **COURTESY PAY IS NON-CONTRACTUAL**

It costs nothing unless the service/privilege is used by initiating a check, electronic funds transfer or other payment or withdrawal request for more than what is on deposit in the account. Besser Credit Union may at its sole discretion, pay item(s) from other sources such as from a share account or line of credit loan.

Courtesy Pay allows Besser Credit Union to provide a higher level of service to members by helping to protect accounts and reputations when an inadvertent overdraft occurs.

Please take time to read our policy in detail. If you have any questions about Courtesy Pay, overdraft protection or any matter concerning your accounts with Besser Credit Union, please call our Account Specialist or any other Member Service Representative at 989-356-1880 or 1-800-655-6508.

## **DISCLAIMER**

Besser Credit Union’s Courtesy Pay Program is a non-contractual courtesy and is discretionary. It is not an obligation of Besser Credit union and B.C.U. may refuse to the courtesy on any checking account at any time and from time to time. Further Besser Credit Union reserves the right to discontinue the program, make changes to the program, change the fee for the program, or eligibility therein at any time without notice. Account holders do not have a contractual right to “Courtesy Pay” and “Courtesy Pay” is not guaranteed by the existence of a “Courtesy Pay” program.

Nancy K. Montie, Mgr./CEO - 8-17-10

