



## COURTESY PAY DISCLOSURES

It is important for you to use your checking account responsibly and to never intentionally overdraw your account. However, we realize that financial shortfalls happen from time to time and we have options available for you. As a benefit to our members, we offer these useful services to cover you in the event that you inadvertently overdraw your checking account.

### **Courtesy Pay Options:**

Transfer from another account – If you have other accounts with us, you can authorize us to transfer the funds needed to cover your overdraft. There is a \$3.00 fee for each transfer, and you are limited to six transfers per month.

Line of Credit – A line of credit is available to cover overdrafts for a \$3.00 fee plus interest for each transfer. This service requires you to complete an application and approval is based on your credit worthiness. Contact Member Services for applicable terms and conditions.

Courtesy Pay – Courtesy Pay is a service we add to your checking account to cover inadvertent overdrafts, subject to the eligibility criteria as explained below. With Courtesy Pay we will generally pay your overdraft items up to \$500, however, 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, or you are not making regular deposits, or you have too many overdrafts. You will be charged our normal overdraft or return item fee, currently \$28.00, for each item that is presented. When more than one overdraft item is presented and paid, multiple overdraft fees may be charged. Both the amount of the overdraft items and all applicable fees, including but not limited to the overdraft fees, are included in this limit. All deposits to overdrawn accounts are applied to the negative balance.

**Eligibility** - No application is required for Courtesy Pay; eligibility is at the sole discretion of the Credit Union and is based on you managing your checking account in a responsible manner. Your Courtesy Pay may be suspended or permanently removed based on the following criteria:

- You do not bring your account to a positive balance within 30 days of becoming overdrawn
- You have an account that has been open less than 30 days
- Your account type is not eligible
- You are more than 30 days past due on any Credit Union loan or delinquent on any other obligation to the Credit Union
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding
- You have an outstanding balance on an Courtesy Pay Repayment Plan
- Your account is being reviewed for fraudulent activity or transactions
- The primary account owner is less than 18 years old
- A ChexSystems or any other negative indicator has been reported to us
- Your account is classified as inactive
- You have an unresolved prior loss with the Credit Union
- We do not have a valid address for you
- We believe you are not managing your account in a responsible manner which may harm you or us



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**Transactions Eligible for Courtesy Pay Include** – Checks, ACH transactions, preauthorized automatic transfers, and online BillPay. Courtesy Pay will **not** be available for everyday debit card transactions **unless** you authorize the Credit Union by completing an Debit Card Consent Form, sending us an email to [info@trailheadcu.org](mailto:info@trailheadcu.org), or calling the Credit Union at 503-220-2592

**Courtesy Pay Opt Out** - If you do not want to have Courtesy Pay, simply contact us and we will provide you an opt out form to remove this benefit from your account. It is important for you to consider that there is no additional cost for Courtesy Pay and that by opting out you are instructing us to return unpaid all items presented against insufficient funds. If you opt-out, you will still be charged our \$28.00 returned item fee. Members who receive Social Security, federal direct deposit, or any other entitlement benefit must opt-out if they do not want the Credit Union to apply those funds to pay an overdraft.

Payment Order of Items - Items presented may not be processed in the same order as they were received and that order may affect the total fees assessed to your account. Generally the first items that we pay are ATM withdrawals, debit card transactions, and any checks cashed by our employees or that you have written to us. We then pay any items that were submitted electronically, such as ACH items, preauthorized automatic transfers, telephone-initiated transfers and any other electronic transfers. Finally, we pay the remaining items based on dollar amount from Low to High.

NOTE: Please be aware that holds placed on your account for pending electronic transactions, such as hotel or rental car deposits, reduce your available balance and may cause your account to become overdrawn.

**Financial Education** – The Credit Union believes that financial literacy and education helps consumers make informed decisions. Heightened awareness of personal financial responsibility helps consumers realize the benefits of responsible money management, understanding the credit process and the availability of help if problems occur. [www.MyMoney.gov](http://www.MyMoney.gov) is the federal government's website that serves as the one-stop shop for federal financial literacy and education programs, grants and other information. To request a personal financial toolkit, call **1-888-MyMoney**.

**Account Agreement** - Your account agreement describes the duties, obligations, and rights of depositors, authorized signatories and the Credit Union with regard to your deposit accounts. That account agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. Your account agreement and this disclosure shall be construed so as to minimize conflicts between them.

**Waiver:** The Credit Union's forbearance from, or delay in, exercising any of the Credit Union's rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this Courtesy Pay disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Credit Union's rights, remedies or privileges.

**Remedy:** You and the Credit Union agree that the exclusive remedy and forum for all disputes arising out of the Courtesy Pay program or your or Credit Union's performance thereunder, except for matters you or the Credit Union take to small claims court, is arbitration by an independent arbitrator pursuant to the applicable rules of the American Arbitration Association, except as prohibited by law.

**Effective Date-** All information listed in this disclosure is effective as of 3/4/2014.