

Morton Lane Federal Credit Union

Courtesy Pay Accountholder Policy

There are several ways your account may become overdrawn, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you (i.e. debit card at point of sale); (3) the return of unpaid items deposited by you; (4) **credit union** service charges; or (5) the deposit of items which, according to the Funds Availability Policy, are treated as not yet available.

While we are not obligated to pay any item presented for payment if your account does not contain enough funds, as long as you maintain your account in “good standing,” we may approve your overdraft items within your unused **Courtesy Pay** limit as a non-contractual courtesy. For **Courtesy Pay** consideration, your account is in “good standing” if you (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all **credit union** fees and charges); (2) avoid excessive overdrafts suggesting the use of **Courtesy Pay** as a continuing line of credit; and (3) have no legal orders, levies or liens against your account and (4) **are current on all obligations/loans to the financial institution**. In addition, the **Courtesy Pay** service may only be available for eligible accounts that have been open for at least **thirty (30) days** and thereafter you maintain your account in good standing.

If you have more than one account, **[all eligible accounts will be assigned a limit.] OR [We limit the program to 10 number of account(s) per accountholder.]**

In the normal course of business, we generally pay electronic transactions first and then checks **[low to high dollar amount, serial number, as received]**, per the **credit union’s** policy; however, checks are often converted to electronic transactions which may post to your account more quickly, affecting the order in which they post. **[Variable for institutions that post in real time: In addition, we post incoming transactions in real time, so checks and other debits to your account may post before deposits and other credits. If there are insufficient funds in your account at the time a transaction posts, you will be charged for each item paid.]** We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, the order we pay your items may create multiple overdraft items during a single banking day and you will be charged our **[paid item OD fee]** of **[\$21.00]** for each overdraft item paid.

You may opt out of the privilege at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined limit assigned to your account. So as not to exceed your limit, remember that the amount of the overdraft **plus** the **credit union’s [paid item OD fee]** of **[\$21.00]** per item will be deducted from the **Courtesy Pay** limit.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in good standing as defined above, or, if based upon our review of your account management, we determine that you are using **Courtesy Pay** excessively or seem to be using **Courtesy Pay** as a regular line of credit. **[We may assess a returned item NSF fee of \$21.00 for each item returned]**

Returned items may be presented for payment by the payee or their financial institution multiple times (re-presentments), which may result in multiple **[returned item NSF fees]**. If our processing system charges you a fee for a re-presented item, please contact us for a refund as it is our policy not to charge for re-presentments. **[We are working with our processor to prevent these charges in the future.]**

We will notify you promptly of any nonsufficient fund items paid or returned, however we have no obligation

to notify you before we pay or return any item. The amount of any overdraft including our [paid item OD fee] of [\$21.00] [and/or] a [returned item NSF fee] of [\$21.00] that you owe us is due and payable upon demand even if we do not ask you for payment. You must bring your account to a positive end of day balance no later than 30 calendar days after the creation of the overdraft, or your limit will be suspended. If there is more than one owner on the account, each owner and agent, if applicable, shall be jointly and severally liable for all overdrafts including all fees charged.

Courtesy Pay should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to manage your finances responsibly by keeping track of your account balance and reconciling it regularly. Balances provided do not include the **Courtesy Pay** limit. Financial education tools may be found at www.mortonlanedirect.com, <https://www.fdic.gov/moneysmart> and <https://www.consumerfinance.gov/>. If you would like this service removed from your account, please contact [716-837-2007].

Your **Courtesy Pay** limit may be available for each item created by checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic payment (ACH) transaction, automatic bill payment, or recurring debit card payment.

If you request us to do so (opt in), we may authorize ATM transfers or withdrawals and everyday debit card purchases by using your [current/available] balance and your **Courtesy Pay** limit. Your balance at the time these transactions post will determine the overdraft status. Other transactions initiated by you, or a delay in processing authorized transactions by the merchant, may result in previously authorized transactions posting against an insufficient balance. **[It is our policy not to charge for transactions that are approved on a positive balance but settle on a negative balance. If our processing system charges you a fee for an approved positive settle negative transaction, please contact us for a refund. We are working with our processor to prevent these charges in the future.]** A [paid item OD fee] of [\$21.00] will be charged for each ATM or everyday debit card transaction that [is authorized and] posts against insufficient funds. Once opted in, you may revoke your authorization at any time by contacting us at [716-837-2007].

[For business accounts, ATM and debit card transactions will be handled as described above with no action required on your part.]

Multiple paid items will result in multiple fees. For example, three paid items in one day will result in [\$63.00] in [paid item OD fees]. To help you manage your account, the total fees you have paid for items (both paid and returned) during the current statement cycle and for the year-to-date will be reflected on your monthly checking statement.

If you would like to revoke your previous authorization for ATM and debit card transaction coverage, or have this service removed entirely from your account, please call [716-837-2007].

LIMITATIONS: **Courtesy Pay** is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal [or business] use. **Morton Lane Federal Credit Union** reserves the right to limit participation to one account per household [or business] and to suspend, revoke, or discontinue this service without prior notice. **If your limit is suspended, unless we notify you otherwise or you request this service be removed from your account, your limit will be made available to cover overdrafts again the first business day after you bring your account to a positive end-of-day balance.**