

Hudson River Community Credit Union
Member Overdraft Program Review and Courtesy Pay Agreement

THIS OVERDRAFT PROGRAM OVERVIEW AND MEMBER COURTESY PAY AGREEMENT DESCRIBES THE CIRCUMSTANCES WHEN THE CREDIT UNION MAY PAY AN OVERDRAFT ON YOUR CHECKING ACCOUNT AND ASSESS A COURTESY PAY FEE TO CLEAR THE OVERDRAFT. PLEASE REVIEW THIS DISCLOSURE CAREFULLY AND RETAIN IT AS PART OF YOUR HRCCU ACCOUNT AGREEMENTS.

DEFINITIONS

- **Overdraft:** There are not sufficient funds in your account to clear an item being presented for payment.
- **Current Balance:** Your current balance is your account balance at any point in time not taking into consideration transactions that you have made but have not cleared your account (these are called pending transactions). Any purchases, holds, fees, pending bill payments, checks written off your account or deposits made into your account that have not yet posted will not appear in your current balance.
- **Available Balance:** Your available balance is the amount of money in your account that is generally available to you to use. The available balance takes into account holds placed on deposits and pending transactions (such as pending debit card purchases) that you have authorized but that have not yet posted to your account as well as deposits, withdrawals, and checks that have not yet cleared your account. Your available balance is used to determine when your account is overdrawn.
- **Fee:** The amount you are charged for HRCCU to clear a transaction when the funds on deposit are not sufficient to clear the presented item.
- **Authorized pending debit transaction:** When a debit card is used for a non-PIN-generated transaction, the merchant may request an authorization from the Credit Union to ensure the funds are available. If available, the Credit Union places a hold on the account for the amount of the authorization request. Note: PIN-generated transactions immediately deduct the amount from your balance, so no hold is placed.

Overview of Overdraft Programs	<u>Checking Account Line-of-Credit (LOC)</u> If credit qualified, funds from your checking account LOC would be advanced from the loan and deposited into your checking account to cover transactions. A checking account LOC is a loan for which you must apply and be approved for prior to use. Interest will accrue on your outstanding loan balance.	<u>Transfer-from-Savings</u> If there are insufficient funds in your checking account to cover an item, funds may be transferred from your savings account to cover the overdraft. The fee for this service is \$2.00 per transaction, and you must have a sufficient balance in your savings account to transfer to your checking account to clear the item and the fee.	<u>Courtesy Pay Basic</u> The Courtesy Pay Basic Program may clear (1) checks and (2) ACH items (electronic debits) if there are insufficient funds in your account to clear the items. The fee schedule for this Program is found below.	<u>Courtesy Pay Advantage</u> In addition to clearing checks and ACH items (electronic debits) the Advantage Program would include the clearing of debit card and ATM transactions if sufficient funds are not available. The fee schedule for this Program is found below. Courtesy Pay Advantage is not automatic. You must "opt in" and be approved for Courtesy Pay Advantage.
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Eligibility Requirements:	To be eligible for any Courtesy Pay Program, your account must be opened a minimum of 60 days AND requires direct deposit into your account during that 60-day period. In addition, your account must be in good standing, which requires that all loans are current and there is no evidence of fraud or abuse on your accounts. The Courtesy Pay Basic Program will be immediately available to you when these conditions are met. You must affirmatively opt in to the Courtesy Pay Advantage program to be eligible for that Program.
Courtesy Pay Basic and Courtesy Pay Advantage Program Limits	<p><u>Traditional Checking Accounts</u></p> <p>The Courtesy Pay Program limits for those with traditional checking accounts whose accounts are in “good standing” and meet eligibility requirements is \$500 inclusive of Courtesy Pay fees. Members will receive the Courtesy Pay Basic Program as a checking account feature, and you may opt out of this feature at any time. You must affirmatively opt in to Courtesy Pay Advantage to take advantage of this overdraft program.</p>
Courtesy Pay Fee Schedule	<p>The Credit Union may receive multiple deposit and withdrawal transactions on your account through numerous channels throughout each business day. Many checks and other account debits are processed by way of an electronic data file (referred to as a batch). The Credit Union receives electronic data files of checks (batches) throughout the day each business day. Checks drawn on your account that are included in each batch are debited from your account in checks, drafts, items and other transactions are processed from smallest to largest on the date we receive them. This means that your account may be charged multiple overdraft fees per day if multiple transactions overdraw your account. See the next section titled “How fees are determined/assessed” for more details.</p> <ul style="list-style-type: none"> • Transactions of \$15 or less-Member Courtesy Pay fee will be \$0.00 • Transactions \$15.01 and more-Member Courtesy Pay fee will be \$28.00
How Fees Are Determined/Assessed:	As noted above, the amount of the item being presented for payment compared to your available balance determines if the account is considered overdrawn.

Additional Important Information regarding your checking account and overdraft/courtesy pay options:

1) It is important to understand the difference between current balance and available balance so that you know how much money is in your account and available for your use at any given time. It is also important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction. It is important to be aware that your available balance may not reflect all your debit card transactions. For example, if a merchant obtains prior authorization but does not submit the debit card transaction for payment within two (2) business days of authorization, the Credit Union must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the actual transaction has been received by the Credit Union and paid from your account. Also, some merchants, such as gas stations, may preauthorize an amount higher or lower than the actual purchase amount and that hold will be in place until the transaction for the purchase clears the account.

2) The best way to know how much money you have and avoid paying overdraft fees is to record and track all your transactions closely, enter all items in your check register, and ensure you are referring to your available balance when determining the amount of funds available for purchases.

3) Regarding the Courtesy Pay Program

- You may opt out of Member Courtesy Pay at any time, but you are responsible for any overdrawn balances at the time of opting out.
- The Credit Union will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft plus the Courtesy Pay fee per paid item will be deducted from the overdraft limit.
- We may refuse 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, or if based on our review of your account management, we determine that you have too many overdrafts, you are using Member Courtesy Pay as a regular line of credit, or there is evidence of account abuse or fraud.
- The amount of any overdraft, including our fee for each item (paid or returned) that you owe us, shall be due and payable upon demand no later than 30 calendar days after the creation of the overdraft.
- If there is an overdraft on an account with more than one owner, each owner and agent, if applicable, shall be jointly liable for all overdrafts inclusive of fees.
- Member Courtesy Pay should not be viewed as an encouragement to overdraw your account.

If you have any questions regarding our Overdraft Programs, including our Courtesy Pay Programs, please stop into any branch or call us at (518) 886-3400 or (833) 886-3400.