



## **Discretionary Courtesy Pay Summary**

An overdraft occurs when you do not have sufficient available funds in your Account to cover a transaction, but we pay it anyway. Community Financial Credit Union has a discretionary overdraft service known as Courtesy Pay. Through Courtesy Pay, we have the discretion to pay overdrafts, subject to Courtesy Pay limits established by us in our sole discretion. Courtesy Pay will generally be limited to a maximum of a negative \$2,500 overdraft balance, but your Courtesy Pay limit may be less than that amount. Any and all applicable fees and charges as set forth in our fee schedules will be included as part of this Courtesy Pay limit.

Courtesy Pay is not a line of credit. Rather, Courtesy Pay is a discretionary service offered by Community Financial in some circumstances. In the event you inadvertently overdraw your account, Community Financial has the discretion, but not the obligation, to pay the overdraft and impose a non-sufficient funds fee (“NSF Fee”).

Courtesy Pay is not available to Members whose Accounts that have been open for less than thirty (30) days. Courtesy Pay is not available to Members whose Accounts and/or loan obligations are not in good standing.

It is important to remember that Courtesy Pay is a discretionary courtesy, and not a right of the Member or an obligation of Community Financial. Community Financial has the option of honoring an overdraft transaction or dishonoring it to avoid the creation of an overdraft. The honoring of past overdrafts does not obligate us to honor them in the future. We are not required to send you prior notice of transactions returned because they would, if paid, overdraw the Account.

When determining whether an item drawn on your Account is a nonsufficient funds transaction, both for the purpose of determining whether and how to honor the transaction and whether a fee related to it being an overdraft may be charged, we use the “Available Balance” for your Account at the time the transaction is presented. The Available Balance is the balance shown on our books (“Ledger Balance”) reduced by (i) the amount of any holds in place with respect to deposited checks or other items, (ii) the amount in the Account that is subject to any preauthorization requests related to the Account that have been accepted by us, (iii) amounts in the Account that are subject to holds based on court, tax agency, or other governmental proceedings, and (iv) amounts that we believe are subject to a dispute over ownership or other rights. Examples of preauthorization requests are holds related to purchase transactions where the final amount is initially unknown, such as gas station purchases, restaurant charges, and hotel or car reservations, but there are other types of preauthorization

requests that could affect your Account as well. Note that the use of the Available Balance for these purposes may cause a fee related to an overdraft to be charged, or a line of credit advance or transfer from another Account to be made, even though your periodic statement may not reflect any time when the balance (periodic statements use Ledger Balances) would be negative.

Whether the transaction is paid through our discretionary Courtesy Pay service or returned, your Account may be subject to a charge as set forth in the fee schedule. Note that Community Financial has no control over how many times an intended payee may resubmit the same item to us for payment. In the event the same item is presented for payment on more than one occasion, your Account will be subject to an additional charge on each occasion that the item is presented for payment. There is no limit to the total fees we may charge you for overdrawing your Account.

The amount by which your Account is overdrawn is due and payable upon our demand, and you agree to pay the full amount of it to us, together with any applicable fees as set forth in the fee schedule. All account holders will be jointly and severally liable for all amounts due and owing. You also authorize us, in such a case, to apply from any other shares or deposits you may have in the Credit Union (except for an Individual Retirement Accounts or other Account permitting tax deferrals or providing other tax benefits under state or federal law) any amount necessary to pay such overdrawn amount and fees.

Your **Account Agreement** and **Important Account Information** (“Account Agreement”) controls your and our rights and obligations. We urge you to read the **Account Agreement, as it contains other important information regarding overdrafts**. In the event of a conflict between the terms of the Account Agreement and any provision of this Discretionary Courtesy Pay Summary, the Account Agreement shall control. Additional copies of the Account Agreement and/or this summary are available to you on request from any Community Financial team member.

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