

## SWOFCU COURTESY PAY – TERMS AND CONDITIONS POLICY

### **Description of Service**

Courtesy pay is a service that SWOFCU offers to its share draft account holders. With Courtesy Pay, the Credit Union at its sole discretion may honor and pay checks, ACH items and other withdrawals drawn against a share draft account that does not have sufficient funds available at the time of the presentment. ATM and Debit card transactions may be covered if member signs an agreement to opt in for this service.

### **Eligibility**

Courtesy Pay may be made available to share draft account holders who meet the following criteria:

- Primary account holders **must be at least 18 years of age**
- **Share draft account must be open a minimum of 90 days**
- Accountholders must be in good standing (i.e. not caused a loss to the credit union) with SWOFCU
- Accounts cannot be under administrative/legal order or levy
- Account holders cannot have any past due loan or Visa payments greater than 30 days.
- Account must have a valid address
- Main share account balance must be equal to or greater than \$5
- All accounts, either presently open and previously closed must not reflect charge off.

If members qualify for Courtesy Pay, there is no action required on the part of the member. The credit union will determine a specific limit for accounts approved for Courtesy Pay based on, but not limited to length of membership, direct deposit and account history. The minimum limit is zero and the maximum limit is \$500 per share draft account. (A member may not have more than a \$500 Courtesy Pay limit regardless if the member has multiple share draft accounts under the same member number.)

### **Fees**

Accounts will be charged a Courtesy Pay service fee for each item as set forth in our Schedule of Fees. Courtesy Payment (overdraft payment) and Courtesy Pay fees may not exceed the cumulative /Courtesy Pay limit assigned to accounts. The service charge may not be refundable.

If SWOFCU chooses not to pay an item, the members account will be subject to the Non-Sufficient Fund fee (NSF) as set forth in our schedule of fees.

### **Disclosure**

Enrollment into the Courtesy Pay program is **NOT** a contractual obligation between SWOFCU and Courtesy Pay users. Courtesy Pay limits may be reduced to zero at any time. Requirements and procedures may also be changed at any time without notice to members and at the sole discretion of Southwest Oklahoma Federal Credit Union.

After existing overdraft protection, if any, has been exhausted, and members account qualify for a Courtesy Pay limit, overdrafts may be paid at the sole discretion of SWOFCU.

SWOFCU does not guarantee payment of any item. SWOFCU may at its sole discretion pay overdrafts in any order or return them unpaid. Even if at one time, members qualified for Courtesy Pay and SWOFCU paid overdrafts in this manner, the credit union may choose not to pay any other overdrafts and remove account(s) from this program without notice to members. SWOFCU will **NOT** be liable for damages, including, but not limited to consequential damages, for overdrafts returned unpaid. Overdrafts will be returned to the presenting bank or merchant when the members Courtesy Pay limit is depleted, members Courtesy Pay has been revoked or if members do not qualify for Courtesy Pay.

If an item is paid under the Courtesy Pay program, the credit union will send notification to the member at the address of record. Members must bring their accounts to a positive status by paying back the funds that were covered, plus any service charges under the Courtesy Pay program. The credit union will utilize periodic mail, email and/or telephone contact with the member in order to bring the account to a positive balance. All account that remain in a negative status may be charged off by the 45<sup>th</sup> day or sooner. As set forth in the credit union's full disclosure, under "Credit Union's Right to Offset", members agree that the credit union has the right to offset against any account of any Account Holder to cover any amount owing to the Credit Union for any reason.

Members have the option of withdrawing from this program. When members withdraw from the program, items covered under the Courtesy Pay program will not be paid when funds are insufficient in the account or overdraft protection funds are unavailable. To withdraw from the Courtesy Pay program, members must make request in writing.