



DISCRETIONARY COURTESY OVERDRAFT PRIVILEGE POLICY

Subject to the restrictions herein, the Credit Union's Courtesy Overdraft Privilege Service will pay checks or other items drawn on an account (including in-person withdrawals, ATM withdrawals, other electronic withdrawals and point-of-sale transactions) even if the account is overdrawn, up to a \$500.00 maximum per account and a maximum of \$350,000.00 overall for all credit union accounts. **The Courtesy Pay Program is NOT a line of credit or loan.** Further, the Credit Union is not obligated to pay any item presented for payment if the drawer's account does not contain sufficient available funds to pay the item and any discretionary decision by the Credit Union to pay an item in no way obligates the Credit Union to pay any additional items where there are insufficient funds in the drawer's account to pay the item or to provide prior notice to the drawer(s) of the Credit Union's decision to refuse to pay any additional non-sufficient fund checks or items.

All accounts in good standing will be automatically enrolled in the Courtesy Pay Program. Any account owner, however, may "opt out" of the Courtesy Pay Program at any time by providing written notice to the Credit Union.

If a check or other item is presented for payment against an account which does not contain sufficient available funds to pay the check or item, the Credit Union will first determine whether there are available funds in another authorized account and, if so, will pay the check or item from available funds in the other authorized account. The account will be charged any applicable transfer fee.

If a check or other item is presented for payment against an account in good standing which does not contain sufficient available funds to pay the check or item, and there are no available funds in any other authorized account, the Credit Union will pay the check or item if payment of the check or item will not cause the account to be overdrawn by more than \$500.00. All account fees will be included as part of this \$500.00 limit. The account will be charged an applicable overdraft fee for each item cleared. If payment of the check or item will cause the account to be overdrawn by more than \$500.00 (including fees and charges), if the account is not in good standing, or the account owner has "opted out" of the Courtesy Pay Program, the check or item will be automatically returned marked "NSF" and applicable fees per item will be charged to the account.

An account in good standing is defined as an account which, at least:

- The account owner(s) is making regular deposits sufficient to cover transactions;
- The account owner(s) is bringing the account to a positive end-of-day balance at least once every fifteen (15) days;
- The account is not subject to any legal or administrative order or levy;
- No account owner has a loan more than thirty (30) days delinquent;
- There are no questionable transactions associated with the account.

The Credit Union will send a notice by the next business day to the account owner(s) each time the Courtesy Pay Program is used to pay an item. This initial notice will disclose the amount of the overdraft, the fee charged, and the current negative balance of the account. If an account has a negative balance for more than fifteen (15) consecutive days, the Credit Union will send a reminder notice that the account is overdrawn and use of the Courtesy Pay Program will be suspended until such time as the account has a positive end-of-day balance. If an account has a negative balance for more than thirty (30) consecutive days, the Credit Union will send the account owner(s) a second notice regarding the overdrawn status of the account and inform the account owner(s) that the account will be closed in seven (7) days if the account is not brought to a positive balance status. If an account has a negative balance for more than thirty-seven (37) consecutive days, the Credit Union will send a final notice to the account owner(s) that the account has been closed and turned over to the Asset Recovery Department. In accordance with NCUA Rules, any overdrawn balance that is forty-five (45) days past due will be charged off.

In accordance with Louisiana law, the Credit Union may pay any properly payable checks or items which overdraw an account and the owner(s) of the account shall remain jointly and severally liable for payment of any and all checks or items and associated fees or charges.

The Deposit Account Agreement and Disclosure provided to account owners at the time a new account is opened governs the duties, rights, and obligations of the account owner(s), any other authorized signers, and the Credit Union with regard to all accounts. In the event of any conflict between this Policy and the Deposit Account Agreement and Disclosure (and any amendments thereto), the terms and conditions of the Deposit Account Agreement and Disclosure shall control.

While the Credit Union will typically pay overdrafts on accounts in good standing, payment of overdrafts is merely a courtesy and not a right or obligation. The Credit Union in its sole discretion can discontinue the Courtesy Pay Program for any account at any time without prior notice and without any reason or cause.