

Courtesy Pay is a way for us to provide a higher level of service to our members by helping protect your account and reputation when an inadvertent overdraft occurs.

For a variety of reasons, neither your available balance nor your ledger balance may represent the funds in your account that will be available to cover a particular transaction at the time you enter into it (such as delivering a check to a merchant) depending on a number of factors, including, without limitation, how and when the transaction is presented to us. **The responsibility for ensuring a transaction will not overdraw your account is yours.**

#### **WHO IS RESPONSIBLE FOR ENSURING THAT FUNDS ARE AVAILABLE IN MY ACCOUNT TO COVER TRANSACTIONS?**

**Please remember that the responsibility for ensuring that the funds in your account will cover a transaction is yours.** You should keep a running balance of the amount of funds in your account to ensure that there are sufficient funds in your account. We provide various tools that will help you manage your account, such as online banking and mobile banking applications. Please remember that the balance displayed using these tools may be either your available or your ledger balance. It is important that you understand the difference between these two balances. Your available balance is the most current record we have about the funds that are available for withdrawal from your account (but does not include certain pending transactions). Your ledger balance, on the other hand, is simply the current posted balance in your account. It includes only deposits and withdrawals posted to your account. Your ledger balance does not include any pending transactions and may include deposits that are not yet available for withdrawal. The amount displayed on your monthly statements from us is your ledger balance.

#### **IMPORTANT COURTESY PAY INFORMATION**

The Courtesy Pay program is a service offered to members that will provide a limited level of protection from insufficient funds, returned checks, ACH/Electronic Items, everyday debit card transactions and returned check charges from merchants. Under the program, HEFCU may overdraw your checking account up to \$500, which includes any fees associat-

ed with the program. The \$500 limit may be reduced by non-program transactions and applicable fees affecting your checking account balance.

The credit union reserves the right to change or terminate the Courtesy Pay/Overdraft Protection program at any time without notice. This program is subject to applicable federal laws and regulations and the laws of the State of New Jersey.

#### **CALL US FOR MORE INFORMATION**

We are happy to review Courtesy Pay and its features with you, along with giving you other options to add convenience and ease to your account. Please call us at (609) 951-0700 or toll free at (800) 624-3312.

***This disclosure replaces all prior disclosures.***



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### **COURTESY PAY/OVERDRAFT PROTECTION DISCLOSURES**

#### **MAKE WAY FOR COURTESY PAY**

No one is perfect, especially when it comes to your finances. A simple mistake in your checkbook can make all the difference between your outstanding items clearing or items being returned on your account. At Healthcare Employees Federal Credit Union, we understand that mistakes happen. That's why we offer Courtesy Pay, a discretionary service that allows us to pay an outstanding item against your account in the event your account becomes overdrawn.

#### **WHAT IS COURTESY PAY?**

Courtesy Pay is a service for members that adds a measure of protection to your share savings and share draft checking account. Courtesy Pay applies to checks and debit cards and may cover your overdrafts up to \$500.00. There will be a fee for each covered overdraft transaction. That means, instead of returning a check to the merchant because of insufficient funds, the credit union may pay your check, saving you additional charges from the merchant collection companies, in addition to the credit union's insufficient fund fee. It saves you the embarrassment an inadvertent overdraft can cause. It also helps protect your credit rating.

#### **HOW DOES COURTESY PAY WORK?**

It covers your checks in the event of non-sufficient funds. A maximum limit of \$500 may be honored by the Healthcare Employees Federal Credit Union. A \$30 fee will be assessed for each item that draws your account negative. You then have up to 15 days to bring the account current, either through a direct deposit, transfer of funds, or a deposit at one of our shared branch offices. **The payment of overdrafts is solely at the discretion of the credit union.**

## HOW IS MY AVAILABLE BALANCE DETERMINED AND WHY IS IT IMPORTANT?

The available balance in your account plays a significant role in the operation of your account and in determining whether a transaction will result in an overdraft. Your available balance is the balance in your account that we use to determine if you have sufficient funds to cover a transaction. Your available balance is the most current record we have about the funds that are available for withdrawal from your account. In determining the available balance in your account, we will consider all transactions that have posted to your account, any holds that may be in place on deposits you have made, and pending transactions (such as pending debit card purchases) that we have authorized but have not yet posted to your account. It's important that you know that transactions are generally not processed in the order in which they occurred. The order in which transactions are received and processed by us can affect your available balance and the fees that you incur for overdrafts.

## FEES

Subject to a maximum of six (6) Courtesy Pay fees per day, a Courtesy Pay fee of \$30 will be imposed each time we pay an overdraft on checks and ACH/Electronic Items and, if you are opted in to Courtesy Pay for Everyday Debit Card Transactions, on every day debit card transactions. Whether your overdrafts will be paid is discretionary and we reserve the right not to pay. Fees will be deducted from the available overdraft limit.

The following is one example that illustrates how overdraft fees are assessed on an account that has Courtesy Pay/Overdraft Protection coverage for ATM and debit card transactions:

Assume your Current and Available Balances are both \$100, and you use your debit card to make a \$70 purchase online. We will place a \$70 hold on your account once the purchase is authorized, which will reduce your Available Balance to \$30 while your Current Balance remains at \$100. Before the merchant sends the charge to us for processing, your withdraw \$60 from an ATM. Your Available Balance will now be negative, and your checking account is

potentially overdrawn by \$30. Your Current Balance remains at \$100 and will be updated after the close of business day (Eastern Time) when all transactions are processed based on posting policies. After the close of the business day, the ATM Debit transaction will post first, followed by the POS Debit transaction and a revised Current Balance is calculated. At this time you will be assessed a \$30 Courtesy Pay fee for the payment of the POS Debit transaction (the debit card online purchase). This fee will be deducted from your account, further reducing the Current Balance, which is now \$50 overdrawn. If you had deposited funds in the amount of \$26 or more before the close of the business day, the overdraft fee would have been avoided (due to our fee limitation policy that does not charge an overdraft fee if your total overdrawn balance at the close of business day is less than \$5).

*This is just one example; there are many others not described here.*

If your checking account goes into an overdrawn status (including Courtesy Pay/Overdraft Protection fees) and funds are available in the linked savings account, we will transfer all or some of the funds from the savings account to the overdrawn checking account to reduce or eliminate the overdrawn amount, as permitted by law.

## TIPS TO CONTROL COSTS FOR COURTESY PAY/OVERDRAFT PROTECTION

- A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts.
- Good account management is the best way to avoid overdrafts.
- Online banking services at hefcu.com and using our app on your mobile device can help you keep track of your balance.

## WHAT ARE AUTHORIZATION HOLDS FOR DEBIT CARD TRANSACTIONS?

When you make a purchase with your debit card, the merchant may seek our prior authorization for the transaction. We generally place a temporary hold against some or all of the funds in the account linked to your

debit card if and when an authorization request is obtained. We refer to this temporary hold as an "authorization hold", and the amount of the authorization hold will be subtracted from your available balance (generally in real time as they are received by us throughout the day). The amount of an authorization hold may differ from the actual transaction amount. We are permitted to place an authorization hold on your account for up to three (3) business days (or up to thirty (30) business days for certain types of debit card transactions) from the time of the authorization.

## ALTERNATIVES

If you have established other overdraft protection methods, such as automatic transfer from your other accounts, we will always look to pay and overdraft by those other methods first before paying your overdraft utilizing Courtesy Pay and imposing a \$30 fee for each item we pay.

## DO I HAVE TO APPLY FOR THIS SERVICE?

No. We require no applications or additional signatures. As long as you are a member in good standing which includes having a checking account with us, you make regular deposits to that account, bring your account back to a positive balance regularly, and there are no legal orders against the account, your Courtesy Pay privilege remains activated.

You must provide your consent (opt in) to take advantage of Courtesy Pay for Everyday Debit Card Transactions, an optional feature of Courtesy Pay. You can opt in by visiting a branch or visiting our website to complete the Courtesy Pay Opt In Form.

## HOW CAN I OPT-OUT OF THE COURTESY PAY/OVERDRAFT PROTECTION PROGRAM?

You may choose to opt out and no longer participate in the Courtesy Pay program at any time by visiting a branch or visiting our website to complete the Courtesy Pay Opt Out Form.

## HOW CAN I ACCESS COURTESY PAY?

Items may be paid utilizing your Courtesy Pay funds up to the limits mentioned above for the following types of transactions:

- Checks
- Preauthorized ACH Debit