



Overdraft Protection and Courtesy Pay

It is the policy of Coastal New England Federal Credit Union to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Agreement and Disclosures provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the Signatories and Coastal New England Federal Credit Union, with regard to your share draft (checking) account. The Agreement and Disclosures (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Courtesy Pay Disclosure. A copy of the Account Agreement and Disclosure is available to you on request.

Coastal New England Federal Credit Union is not obligated to pay any item presented for payment if Your account does not have sufficient available funds. You hold Us harmless for any and all liability which might otherwise exist if we do not pay an overdraft.

How does an overdraft occur?

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can at Our discretion cover Your overdrafts in two different ways:

1. Overdraft Protection from an applicable Share-Savings Account
2. Courtesy Pay

What is Overdraft Protection?

Your account features an automatic overdraft protection plan whereby funds from applicable Share-Savings accounts will be transferred to your Share Draft account to cover any overdraft. If funds are transferred from any of your applicable savings accounts to cover an overdraft you will be assessed a fee of \$10 per transaction.

What is Courtesy Pay?

Courtesy Pay is a service that adds a measure of protection to your checking account. Courtesy Pay may cover your insufficient funds items based upon your available account balance, up to your approved limit, for one \$30 fee per covered overdraft transaction. That means, instead of returning a check to the merchant because of insufficient funds, the credit union may pay your item which will save you additional charges from the merchant collection companies.

How does Courtesy Pay work?

When a check, ACH withdrawal, ATM Transaction or a debit card transaction is presented for payment against your checking account, it may be paid using:

- The funds in the account
- Overdraft Protection from a savings account (if applicable)
- Through Courtesy Pay, up to a limit of \$400.00

Once the first two options have been expended and Courtesy Pay is used to pay a check, ACH withdrawal, ATM Transaction or a Debit Card Transaction, a fee of \$30 will be assessed to your account for each item that draws your account negative based upon your available account balance. You then have up to 30 days to bring the account current, either through a direct deposit, transfer of funds, or a deposit at one of our branches. This is the same fee that would have been incurred if the check or ACH withdrawal was returned for insufficient funds. But with Courtesy Pay, you will avoid the extra charges merchants would add to a returned check or ACH withdrawal. Courtesy Pay is offered as a privilege and Coastal New England Federal Credit Union reserves the right to return check or ACH requests when available sufficient funds are not available in your account.

What if I already have overdraft protection?

If you have established other overdraft protection methods, such as an automatic transfer from your other accounts, we will always look to pay any overdraft by those other methods first before paying your overdraft utilizing Courtesy Pay and imposing a \$30 fee for each overdraft we pay. Overdraft protection **does not** authorize and pay overdrafts for the following types of transactions (see below):

- ATM transactions
- Everyday debit card transactions

Unless you are enrolled in Courtesy Pay, these types of transactions will be automatically denied.

What You Need to Know about Overdrafts and Overdraft Fees

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transactions. If we do NOT authorize and pay an overdraft, your transaction will be declined,

➤ What fees will I be charged if Coastal New England Federal Credit Union pays my overdraft?

Under our standard overdraft practices, we will charge you a fee of up to \$10 for each overdraft protection transfer from a savings account, and \$30 each time we pay an overdraft through courtesy pay. There is no limit on the fees we can charge you for overdrawing your account.

Eligibility for Courtesy Pay

Eligibility is at the discretion of the Credit Union. You may not be granted Courtesy Pay or it may be revoked by Coastal New England Federal Credit Union if:

- Your checking account has been open for less than 30 days
- Your account type is not eligible
- You are more than 30 days past due on any loan or delinquent on any other obligation to the Credit Union
- Your account is being reviewed for fraudulent activity
- The primary account owner is less than 18 years old
- You have an unresolved prior loss with the Credit Union
- You do not have a checking account
- A ChexSystems or other negative indicator has been reported to us
- You previously had Courtesy Pay revoked

These are not the only circumstances under which Courtesy Pay may be revoked, and Coastal New England Federal Credit Union reserves the right to revoke Courtesy Pay Program privileges, permanently or temporarily, at any time and to deny the payment of any transactions without prior notification at our discretion.

_____ I **want** Coastal New England Federal Credit Union to authorize and enroll me in Courtesy Pay and to cover all overdraft items as well as ATM/Debit card transactions.

_____ I **do not want** Coastal New England Federal Credit Union to authorize and enroll me in Courtesy Pay and to cover all overdraft items as well as ATM/Debit card transactions.

Signature

Date: _____

Printed Name

Account Number: _____

Should you change your mind and decide you no longer want to have Courtesy Pay, you may revoke your authorization at any time by contacting us either in person, by mail, or by telephone. (508) 993-0011 – 93 Union Street New Bedford, MA 02740.