



COURTESY PAY DISCLOSURE

To provide the highest level of service to our members, University of Michigan Credit Union (UMCU) has adopted Courtesy Pay, a discretionary overdraft payment service to provide consistency and fairness in managing overdrafts.

Courtesy Pay is **not** a contractual commitment. However, if you maintain your account in good standing, we may, in our sole discretion, pay a check or pre-authorized electronic (ACH) transaction when the amount withdrawn exceeds the **available** balance in your checking account. If you do not want your check and ACH transactions to be considered for our Courtesy Pay service, you must notify us of your decision to decline Courtesy Pay. Likewise, if you receive a direct deposit of your social security or other federal benefit check, and you do not want us to apply those funds to repay an overdraft, then you must notify us of your desire to decline consideration for Courtesy Pay.

We apply our Courtesy Pay service to checks and preauthorized ACH transactions. We do not apply Courtesy Pay, and we will not authorize any ATM, Point-of-Sale (POS) or every day (one-time) debit card transactions, when the amount withdrawn exceeds the **available** balance in your checking account unless you provide your affirmative consent for us to do so by opting-in. ("opt in"). If you opt-in, you have the right to revoke your authorization at any time.

In order to be considered for Courtesy Pay, your account must be in good standing. Good standing may include, but is not limited to, any or all of the following criteria, and is subject to change at any time in the Credit Union's sole discretion:

- You are at least 18 years of age.
- You are not in default (35 days or longer past due) on any loan or other obligation to us.
- You are not subject to any legal or administrative order or levy.
- Your account has not been overdrawn longer than 45 days.
- You do not have a revoked Debit Card.
- You have a valid mailing address on file with UMCU.

In paying items through Courtesy Pay, your checking account may be overdrawn by up to a maximum of \$500, including any and all fees and charges. A Courtesy Pay fee, as set forth in the Fee Schedule, will be charged for each item submitted and paid that overdraws your **available** checking account balance. **For an explanation of how we calculate your available balance, please refer to the Membership and Account Agreement.**

You are not charged for our Courtesy Pay service unless you have an overdraft. If you have an overdraft, you will not be charged a Courtesy Pay fee if the transaction is less than \$10.00. It is important to keep in mind that checks, drafts, transactions and other items may not be processed in the order that you make them or in the order that we receive them. We may, in our discretion, pay an item or execute other transactions on your account in any order we choose. The order in which we process transactions on your account may affect the total amount of overdraft fees that may be charged to your account. Note also that we have no control over how many times an intended payee may resubmit the same check or other item to us for payment. In the event the same check or other 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 the Credit Union may charge you for overdrawing your account. If your checking account is overdrawn 45 consecutive days, the account will be closed. Please contact us if you have questions about how we pay checks or drafts and process transfers and withdrawals.

Whether the transaction is paid through our Courtesy Pay service or returned unpaid, your account may be subject to a charge as set forth in the Fee Schedule. **Please refer to the Overdraft section of the Membership and Account Agreement and our Fee Schedule for additional information regarding overdrafts.**

It is the policy of UMCU to comply with all applicable laws and regulations. The Membership and Account Agreement controls the duties, obligations and rights of the member, the authorized signatories and UMCU with regard to your checking account. The Membership and Account Agreement terms shall control any possible conflict between any provision of this Courtesy Pay policy and the Membership and Account Agreement.



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UMCU.ORG

WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

An **overdraft** occurs when you do not have sufficient available funds in your account to cover a transaction, but we pay it anyway. We look at the available balance when determining whether there is an overdraft. Available balance is the ledger balance minus any deposits or withdrawals that are on hold or transactions that have been preauthorized but that have not yet been debited from your account. We can cover your overdrafts in two different ways:

1. We have **standard overdraft practices** that come with your account.
2. We also offer **overdraft protection plans**, such as a link to a savings account or a line of credit, which may be less expensive than our standard overdraft practices. To learn more, please ask us about these plans.

This notice explains our **standard overdraft practices**.

What are the standard overdraft practices that come with my account?

We **do** authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account
- Electronic ACH transactions

We **do not** authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- ATM transactions
- Everyday debit card transactions

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.

If we do not authorize and pay an overdraft, your transaction will be declined.

What fees will I be charged if UMCU pays my overdraft?

Under our standard overdraft practices:

- We will charge you a fee of \$30 each time we pay an overdraft.
- You will not be charged a fee on transactions less than \$10 that overdraw your account.
- There is no limit to the total amount of overdraft fees we can charge for overdrawing your account.

Please refer to Section 14 of your Membership Agreement for important additional information on overdrafts.

What if I want UMCU to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call us at (734) 662-8200, visit www.umcu.org or complete the form below. You may fax it to 734-996-4522, mail it to P.O. Box 7850, Ann Arbor, MI 48107-7850 or bring it to any one of our branches.

_____ I do not want UMCU to authorize and pay overdrafts on my ATM and everyday debit card transactions.

_____ I want UMCU to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____ Account Number: _____

Date: _____