



COURTESY PAY DISCLOSURE

IMPORTANT INFORMATION

Please read this information carefully and retain with your personal financial records.

Courtesy Pay is not available to cover ATM and One-time debit card transactions.

WHAT IS COURTESY PAY? We may, at our discretion, pay your overdrafts that would cause your eligible checking account to have a negative balance, up to the amount of your Courtesy Pay limit, which is determined by us in our sole and absolute discretion. We will charge you a fee for this service. Courtesy Pay is different than other overdraft protection options we offer. Courtesy Pay is a backup to other overdraft protection options and will only be activated if funds are not available from those plans. This Courtesy Pay Disclosure ("Disclosure") sets forth the terms and conditions applicable to Courtesy Pay. This Disclosure is subject to the terms and conditions of your account and the Truth-in-Savings Disclosure provided to you. In the event of a conflict between this Disclosure and other agreements or disclosures, the terms and conditions of this Disclosure will govern Courtesy Pay.

An overdraft occurs when there are not enough available funds in your account to pay for a transaction at the time it is processed by us.

The following is important information regarding your account balance, how transactions are posted to your account, and when a Courtesy Pay fee will be charged. You should read these disclosures carefully. If you have questions, please see a member service representative or call us at the number printed below.

YOUR CHECKING ACCOUNT BALANCE. Your checking account has two kinds of balances: the "actual" balance (also referred to as: Balance, Total, Current Balance and Ledger Balance) and the "available" balance. Both can be checked when you review your account online, at an ATM, by phone, or at a branch. It is important to understand how the two balances work so that you can avoid unnecessary overdraft fees. This section explains actual and available balances and how they work.

Your actual balance is the full amount of money that can be in your account at any given time. It reflects the full amount of any deposits made to your account without regard to any portion of a deposit that may be on "hold." It also reflects payment transactions that have "posted" to your account, but not payment transactions that have been authorized and are pending. While the term "actual" may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Any holds on deposits, holds on funds authorized for purchases, payments, fees and other charges made on your account that have not yet posted will not appear in your actual balance.



Available balance is used to determine when your account is overdrawn. For example, if you have a \$50.00 actual balance, but you just wrote a check for \$40.00, then your actual balance is \$50.00 but it does not reflect the pending check transaction. So at that point, your actual balance is \$50, but you have already spent \$40. If you also swipe your debit card at a restaurant for \$20 which is authorized but has not posted to your account; the actual balance is still \$50, but you have spent \$60. The check clears your account which reduces your actual balance to \$10. When the authorized debit card transaction posts your actual balance will be overdrawn by \$10. An overdraft fee will be deducted from your account further reducing the actual balance. This example is illustrated in the following chart:

Description	Amount	Date	Actual Balance	Available Balance
Deposit posted	\$50.00	01-Jan	\$50.00	\$50.00
Check written	\$40.00	02-Jan	\$50.00	\$50.00
Debit Card Authorization	\$20.00	02-Jan	\$50.00	\$30.00
Check posted	\$40.00	03-Jan	\$10.00	-\$10.00
Debit Card Posted	\$20.00	04-Jan	-\$10.00	-\$10.00
Debit Card Overdraft Fee	\$30.00	04-Jan	-\$40.00	-\$40.00

Your available balance takes into account things like holds placed on deposits and pending transactions (such as pending debit card purchases) that the credit union has authorized but that have not yet posted to your account. It is a useful tool to keep track of debit card purchases that you have authorized the credit union to pay but have not yet posted to your actual balance.

For example, assume you have an available balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment. In that case, we will put a "hold" on your account for \$20. Your actual balance would still be \$50.00 because this transaction has not yet posted, but your available balance would be \$30 because you have committed to pay the restaurant \$20. When the restaurant submits its bill for payment (which could be a few days later), we will post the transaction to your account and your actual balance will be reduced by \$20.

HOW TRANSACTIONS ARE POSTED TO YOUR ACCOUNT

There are basically two types of transactions in your account:

- Credits or deposits of money into your account
- Debits or payments out of your account.

It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.



Credits. Most deposits are added to your account when we receive them. For some checks you deposit, only \$200 will post to your available balance at the time of deposit; the balance of the check will post to your available balance two (2) business days later. There may be extended holds on checks over \$5,000. Thus, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, see the Funds Availability Policy Disclosure.

Debits. There are several types of debit transactions. Each type of debit transaction is described generally below. Keep in mind that there are many ways transactions are presented for payment by merchants, and the credit union is not necessarily in control of when transactions are received.

- o **Checks.** When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day.

- o **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example, automatic bill payments for which you have signed up.

- o **Point of Sale (POS) Debit Card Transactions.** These are transactions where you use your debit card and you enter your PIN number at the time of the sale. They are similar to ATM withdrawals because money is usually deducted from both your actual balance and your available balance immediately at the time of the transaction. However, some POS transactions are not presented for payment immediately; it depends on the merchant.

- o **Signature Debit Card Transactions.** These are transactions where you make a purchase with your debit card and you do not enter your PIN. As described above, in these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally place a temporary hold and deduct the amount of the transaction from your available balance. We refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from your available balance. Authorizations are deducted from your available balance but not your actual balance as they are received by us throughout each day. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received. Please note: the amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, if you use your card at a restaurant, a hold will be placed in the amount of the bill presented to you, but when the transaction posts it will include any tip that you may have added to the bill. This may also be the case when you swipe your debit card at gas stations and hotels and other retail establishments, or



to rent a car. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

This is a general description of how certain types of transactions are posted. These practices may change and we reserve the right to pay items in any order we choose as permitted by law.

We may receive multiple deposit and withdrawal transactions on your account in many different forms throughout each business day. This means that you may be charged more than one fee if we pay multiple transactions when your account is overdrawn.

The best way to know how much money you have and avoid paying overdraft fees is to record and track all of your transactions closely.

If you do not understand this Disclosure or have any questions, please contact us.

LIMITATIONS Courtesy Pay is not available to members under the age of 21 years. Your account must be open at least 90 days before Courtesy Pay is available. You must have direct deposits into your account to be eligible for Courtesy Pay. You will be assigned a Courtesy Pay limit when your Checking Account has been open for 90 days. Your Courtesy Pay limit will be determined by the amount of direct deposits into your account:

- If your aggregate direct deposit total is \$1,000 for the previous two calendar months, your Courtesy Pay limit will be \$300
- If your aggregate direct deposit total is \$1,200 for the previous two calendar months, your Courtesy Pay limit will be \$500
- If your aggregate direct deposit total is \$1,500 for the previous two calendar months, your Courtesy Pay limit will be \$700
- If your aggregate direct deposit total is \$2,000 for the previous two calendar months, your Courtesy Pay limit will be \$1,000
- If your aggregate direct deposit total is \$3,000 for the previous two calendar months, your Courtesy Pay limit will be \$1,500

Your account must be in good standing in order to take advantage of Courtesy Pay. An account is in good standing if you make regular deposits to the account, bringing the account to a positive balance at least once every 30 days, you are not more than 10 days delinquent on any loan account, there are no judgments, levies, garnishments, child support withholding orders, or account freeze orders pending against you, you are not the subject of any pending bankruptcy or assignment for the benefit of creditors, and you have not caused a loss to the credit union. If an account has more than 20 Courtesy Pay items per month the account will be disqualified from Courtesy Pay for the rest of the current month.

OTHER OPTIONS There are other options you may use to cover overdrafts, which may be less expensive than Courtesy Pay. We encourage you to manage your finances responsibly and investigate all available options. The best way to know how much money you have and avoid paying



overdraft fees is to record and track all of your transactions closely. The Courtesy Pay limit is in addition to any other overdraft protection options in which you may be enrolled. Overdraft protection options take precedence over Courtesy Pay; that is, when you are enrolled in other overdraft protection options, those options will be used to cover overdrafts first, before the Courtesy Pay service is applied. For example, you may use our Overdraft Transfer service by linking a savings account or a line of credit to your checking account to cover overdrafts.

Access free financial education topics by visiting our website and clicking on Services/Financial Education Resources. Topics include budgeting, savings, dealing with debt, and credit counseling. You can also receive information on choosing a credit counseling service by contacting the National Foundation for Credit Counseling (NFCC) at 1-800-388-2227 or the Financial Counseling Association of America (FCAA) at 1-800-450-1794. We may also be able to assist if you are experiencing financial difficulties. Please contact us at 321-455-9400 to discuss available options.

ELIGIBLE TRANSACTIONS Courtesy Pay applies only to checks (NSF) and automatic debits (ACH) which overdraw your eligible account. Courtesy Pay does not cover overdrafts created by in-person withdrawal, ATM withdrawal, Point of Sale (POS), one-time debit card transactions, or other electronic withdrawals or overdrafts.

FEES A Courtesy Pay fee will be charged for each Courtesy Pay transaction; the amount of this fee is stated in our Schedule of Fees (see separate Schedule of Fees included with this disclosure packet); the amount of the fee may be changed from time to time as stated in our Schedule of Fees. More than one Courtesy Pay fee may be assessed against your checking account each day depending upon the number of overdrafts authorized and paid through Courtesy Pay. Transactions may not be processed in the order in which they occurred; the order in which transactions are received by the credit union can affect the total amount of overdraft fees charged to you. Your Courtesy Pay limit will be reduced by the amount of each overdraft paid by us through Courtesy Pay and the amount of the related Courtesy Pay fee imposed, until such amounts are repaid by you, at which time we may replenish your Courtesy Pay limit by the amount of the repayment. If we choose not to pay the item/transaction under Courtesy Pay, you are subject to an NSF Fee for each check or ACH item in accordance with our Schedule of Fees. We will not charge you a Courtesy Pay fee for debits less than \$5, and we will not charge you for more than 5 overdrafts in any one calendar day. Your periodic statement will itemize Courtesy Pay fees and NSF Fees for each cycle, as well as the year-to-date total of fees.

JOINT ACCOUNTS If the account is jointly owned, both parties are jointly and severally liable for the repayment of any overdraft item, fees and negative balances.

OPT-OUT You may choose not to participate in the Courtesy Pay program at any time by contacting us in the manner most convenient for you. Our address and telephone number are printed below.

OUR RESPONSIBILITIES The Courtesy Pay service is a courtesy which we provide in our sole and absolute discretion. Courtesy Pay does not constitute an actual or implied obligation of the credit



union. Courtesy Pay may be withdrawn or withheld at any time, without prior notice, reason or cause.

NOTICES In our sole discretion, we may notify you by mail, or, if you have agreed to receive notices from us in an electronic format, you may be notified electronically, of any nonsufficient funds checks, items or other transactions that have been paid or returned; however, we are not required to notify you. You acknowledge and agree that we have no obligation to notify you before we pay or return any check, item or other transaction. We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts.

REPAYING US THE OVERDRAFT BALANCE The total of any negative balance in your checking account, including any and all fees and charges, is due and payable upon demand but in any event no later than 30 days after the overdraft.

RIGHT OF SETOFF In addition to any other rights that we may have, you agree that any deposits or future deposits in or other credits to any account in which you may now or in the future have an interest are subject to our right of setoff for any liabilities, obligations or other amounts owed by you to us. Moreover, unless you opt out of Courtesy Pay, you consent and expressly agree that the application of setoff of funds in any account includes the setoff of government benefits (such as Social Security and other public benefit funds) deposited to the account from which the overdraft or related fees are paid, to the maximum extent permitted by applicable state and federal law. Each person who causes an overdraft, which is paid by us, agrees to be individually and jointly obligated to repay the unpaid negative balance in accordance with the terms and conditions of this Disclosure.

DEFAULT You will be in default if you fail to live up to any of the terms and conditions set forth herein or you are in default on any loan obligation with us or a negative balance exists in any other deposit account with us on which you are an owner. If you are in default, in addition to any other rights we may have, we may temporarily suspend Courtesy Pay, permanently terminate Courtesy Pay, or close your checking account and demand immediate payment of the entire unpaid negative balance. You agree to pay any collection costs, attorneys' fees and court costs that we may incur as a result of your default. We may also suspend or terminate Courtesy Pay at any time without prior notice, in our sole and absolute discretion. In no event will any termination relieve you of your obligation to repay any negative account balance, overdraft fees, collection costs and attorneys' fees, if any. No delay in enforcing any of our rights will constitute a waiver.

CONTACT You may contact us by going to any branch location, calling us at telephone number 321-455-9400 or 800-662-5257 (Opt. 0), or writing to us at Launch Credit Union, 300 South Plumosa Street, Merritt Island, FL 32952.