



COURTESY PAY TERMS AND CONDITIONS

This agreement explains the terms and conditions governing your access to Courtesy Pay services. The terms “our”, “we”, “us”, and “Credit Union” refer to Utilities Employees Credit Union (“UECU”). The terms “you”, “your” and “member” refer to each and all account owners, authorized signers, or agents under the eligible consumer checking account number.

The Consumer Membership Agreement & Disclosures provided to you at the time you opened your membership with UECU controls the duties, obligations and rights of the account owners, authorized signers, and agents with regard to your checking account. A copy of the Consumer Membership Agreement & Disclosures is available to you on request from UECU or at uecu.org. In the event of a conflict between these Courtesy Pay Terms and Conditions and the Consumer Membership Agreement & Disclosures, the terms of these Courtesy Pay Terms and Conditions will control.

Overview: Courtesy Pay services are available for eligible consumer checking accounts. Courtesy Pay is not a line of credit. However, if you inadvertently overdraw your eligible consumer checking account, we will have the discretion to pay the overdraft, subject to the Courtesy Pay limit and the amount of any overdraft fee.

Eligibility: *Green Light Checking™* accounts are not eligible for Courtesy Pay services. If your consumer membership is in good standing, your checking account will be automatically eligible for Courtesy Pay standard overdraft practices. For memberships with multiple checking accounts, only one (1) checking account is eligible for Courtesy Pay services per membership. Memberships in good standing must meet the following criteria:

- 1) Your eligible checking account must have a positive account balance within every thirty (30) day period for a minimum period of 24 hours;
- 2) Account owners must not be in default on any loan or other obligation to UECU; and
- 3) Account owners are not a subject to any legal or administrative order or levy.

Courtesy Pay Overdraft Practices: UECU is not obligated to pay for any item presented for payment if your eligible checking account does not contain sufficient available funds. Any discretionary payment by UECU of an overdraft item does not obligate UECU to pay any other overdraft items, or to provide prior notice of its decision to refuse to pay an item. While UECU will have the discretion to pay overdrafts on eligible checking accounts in good standing (as described above), any such payment is a discretionary courtesy, and not a right of the eligible checking account holder or an obligation of UECU. UECU, in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

- 1) **Standard Overdraft Practices:** Courtesy Pay standard overdraft practices automatically come with eligible checking accounts. Under Courtesy Pay standard overdraft practices, UECU will authorize and pay overdrafts up to the Courtesy Pay limit for checks, transactions made using an eligible checking account number, and automatic bill payments, including recurring debit card transactions. If you want to opt out of Courtesy Pay standard overdraft practices, call 800-288-6423 or complete and mail the Courtesy Pay Opt In/Out Form to: P.O. Box 14864, Reading, PA 19612-4864. Under Courtesy Pay standard overdraft practices, UECU will not authorize and pay overdrafts for ATM transactions and everyday debit card transactions.
- 2) **ATM and Everyday Debit Card Transactions:** For eligible checking account holders, UECU will not approve ATM or everyday debit card transactions using the Courtesy Pay limit unless you have opted into the authorization and payment of these overdrafts. If you want UECU to authorize and pay overdrafts on ATM and everyday debit card transactions through Courtesy Pay, call 800-288-6423, log in to Mobile and Online Banking and navigate to Overdraft Options, or complete and mail the Courtesy Pay Opt In/Out Form to: P.O. Box 14864, Reading, PA 19612-4864.

Explanation of Balances: As stated above, you will incur an overdraft fee when the available balance in your account is not high enough to cover a transaction, but we pay it anyway. Your eligible checking account has two kinds of balances: the “account” balance and the “available” balance. It is important to understand how these balances differ so that you know when a given transaction may cause you to incur an overdraft fee through Courtesy Pay.

The account balance is the amount of money that is actually in your account, although not all of it may be available to you. It reflects all transactions that have “posted” to the account (i.e., completed transactions for which payment has been

deducted from your account). It is important to note that your account balance may not reflect the money that is available for you to spend at any given time, as it does not reflect transactions that have been authorized, such as purchases or deposits, but have not yet posted or been made available to you.

The available balance, on the other hand, is the amount of the actual balance that is available for you to use at any given time. This balance often differs from the account balance, as it reflects not only the completed and posted transactions, but also any transactions for which payment is authorized but still pending. It also reflects restrictions on the funds in your account, such as deposit holds and/or authorization holds for pending debit card transactions.

A common transaction that can cause your available balance to differ from your account balance is an everyday, signature-based (non-PIN) debit card transaction. When you present your debit card to a merchant to purchase an item, the merchant electronically contacts us to authorize the transaction. When that happens, we place an "authorization hold" on the available funds in your account. This reduces the available balance of your account, usually in the amount of the transaction (the hold can be for less than the full transaction amount when the amount is not known at the time of authorization, e.g., when you are purchasing gas or add a tip at a restaurant). Your account balance remains unchanged because the transaction has not yet posted, and the funds are still in the account. When the merchant later submits the transaction for payment, the transaction is posted to your account and the payment amount is deducted from your account balance to reflect the completion of the transaction. This can happen hours or up to several days after you made the purchase, and we authorized the transaction.

A transaction that is authorized against a sufficient available balance may result in a negative available balance (overdraft) when it finally posts if intervening transactions have reduced the available balance. In circumstances when a transaction was authorized when you had a sufficient available balance, and posts when you have an insufficient available balance, UECU will not charge you an overdraft fee for that transaction.

Courtesy Pay Limit: UECU will have the discretion to pay overdrafts within the Courtesy Pay limit, but payment by UECU is a discretionary courtesy and not a right of the eligible checking account holder or an obligation of UECU. The Courtesy Pay limit for eligible checking accounts is limited to a maximum of \$500. Any and all fees and charges, including without limitation overdraft fees, will be included as part of this maximum amount. It is possible that your eligible checking account will become overdrawn in excess of the Courtesy Pay limit as a result of the assessment of a fee.

Overdraft Fee: An overdraft fee (as set forth in our fee schedule) will be imposed for each overdraft created by checks, ACH, ATM withdrawals, everyday debit card transactions, in-person withdrawals, or by other electronic means up to five (5) per day. Transactions may not be processed in the order in which you made them, and the order in which transactions are received and processed may impact the total amount of fees incurred.

Courtesy Pay Repayment: Any negative balance owed as a result of Courtesy Pay, which includes any fees and charges, including overdraft fees, is due and payable upon demand, and account owners are liable, jointly and severally, for all such amounts. If you do not bring your account balance to a positive balance within 30 days, Courtesy Pay services will be suspended.

Termination: UECU can terminate your access to Courtesy Pay at any time without notice to you.