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COURTESY PAY AGREEMENT AND DISCLOSURES (OVERDRAFT POLICY)

This Agreement governs the Courtesy Pay (overdraft protection) program offered by CCFCU.

1. Overview. An overdraft occurs when you do not have enough money in your Share Draft account to cover a transaction but Central Coast Federal Credit Union (“CCFCU”) pays it anyway. We can cover your overdraft in two different ways:

a. We have standard overdraft practices that automatically comes with your account. We call this Courtesy Pay. We will charge you a fee, as set forth below, if we pay any overdraft.

i. We do authorize and pay overdrafts for checks, Bill Pay and Automated Clearing House (ACH) transactions made using your checking account number.

ii. We do not authorize and pay overdrafts for your everyday (signature) debit card or ATM transactions unless you ask us to do so by opting in for this service (see below).

We pay all overdrafts *at our discretion*. That means that 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 and you may incur non-sufficient funds charges from the merchant or other payee.

b. We also offer overdraft protection plans, such as a link to a savings account, or a Line of Credit (LOC) account which may be less expensive than Courtesy Pay. To learn more, ask us about these plans.

2. Courtesy Pay. The Courtesy Pay program is a service CCFCU offers to eligible members that will provide a limited amount of overdraft protection from which CCFCU may authorize and pay checks, ACH/electronic items and everyday debit card transactions (subject to certain requirements applicable to debit card transactions) initiated for payment against your eligible checking limit when account funds are not available. That means, instead of returning your check, ACH/electronic item and everyday debit card transactions, we will pay the item (subject to certain requirements applicable to debit card transactions) saving you additional charges from merchants as well as the embarrassment of an overdraft.

3. Eligibility for Courtesy Pay. New accounts are not eligible for Courtesy Pay until we complete a three (3) month review of the account for which you request Courtesy Pay. Once you sign-up for Courtesy Pay, we will let you know at that time whether your account is accepted for Courtesy Pay. In order to maintain your eligibility for Courtesy Pay, you must not

be in default on any loan obligation with us, you must bring your account to a positive balance at least once every thirty days, and your account cannot be the subject of any legal or administrative order or levy. If you have any questions regarding your eligibility with regard to our Courtesy Pay program, please contact our Member Service at (831) 393-3480.

4. Amount of Overdraft Protection. The maximum amount of overdraft protection is currently \$400.00 per account, including the amount of the overdrawn item(s) and the Courtesy Pay fee(s). CCFCU may establish a lower maximum for any account in its sole discretion.

5. Overdraft Practices. We may, at our discretion (which means that CCFCU does not guarantee that it will always authorize and pay any overdraft) pay a transaction up to the current Courtesy Pay limit. If CCFCU does not authorize and pay a non-sufficient fund item, your transaction will be declined. If your transaction is declined, then you may be assessed charges by the merchant for an insufficient funds transaction. By signing up for Courtesy Pay, you waive any claim you may have against CCFCU if it declines to pay a non-sufficient fund item. In order to discontinue use of Courtesy Pay, please follow the instructions in paragraph 9.

6. Your Responsibility When We Pay an Overdraft. When we pay an overdraft, you must bring your account back to a positive balance (not overdrawn) immediately, either through a direct deposit, transfer of funds or a deposit at one of our ATMs or at one of our four branches.

7. Fees. The fees that you will be charged for any Courtesy Payment CCFCU makes on your behalf are: \$32.00 for each time we pay an overdraft. There is no limit on the total fees we can charge you for overdrawing your account.

8. Contact Us. If you need to contact us about Courtesy Pay, please phone us at (831) 393-3480 or visit us at 4242 Gigling Road, Seaside, CA. Our web address is <https://www.centcoastfcu.com>.

9. Discontinuing Courtesy Pay. You may discontinue Courtesy Pay at any time by contacting us as set forth in this paragraph. Until we receive notice that you want to discontinue the service, Courtesy Pay will stay in place. In order to discontinue Courtesy Pay, you must opt-out by coming into CCFCU in person to fill out paperwork to discontinue the service or by mailing us written instructions to discontinue the service for you. If you mail us written instructions, the service will not be discontinued until we receive the written request. If you no longer participate in the Courtesy Pay program and you have opted-in to the Courtesy Pay for everyday debit card transactions and ATM transactions, you will be automatically removed from the debit card/ATM protections. As long as your account is in good standing, you may remain enrolled in Courtesy Pay for checks and ACH/electronic items, even if you wish to discontinue the Courtesy Pay for debit card/ATM transactions.

10. Authorization Holds. 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 received. We refer to this temporary hold as an “authorization hold” and this amount will be subtracted from your available balance. 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 for up to thirty (30) business days for certain types of debit card transactions from the time of authorization. For additional information on authorization holds, please see our [Disclosure of Account Information](#).

11. Available Balance Information. You are responsible for ensuring that the funds in your account are sufficient to cover a transaction. You should keep a running balance of the amount of funds in your account. CCFCU provides various tools to 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 balance* or your *ledger balance*. It is important for you to understand the difference between these two balances. *Your available balance* is the balance in your account that we use to determine if you have sufficient funds to cover a transaction and whether a transaction will result in an overdraft. 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, including any holds that may be in place on deposits you have made, and pending transactions that we have authorized but not yet posted to your account (such as pending debit card purchases). It is important that you know that transactions are generally not processed in the order in which they have 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.

Your *ledger balance*, on the other hand, is simply the current posted balance to 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 CCFCU is your ledger balance.

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. *It is your responsibility to endure that a transaction will not overdraw your account.*

12. Alternative Form of Overdraft Protection. Courtesy Pay is just one form of overdraft protection that we offer at CCFCU. We can also cover your overdrafts through your savings account or through a line of credit, also known as an LOC. If you would like to inquire as to these alternatives, please refer to paragraph 8 for our contact information.

13. Change in Terms. We may change the terms of this Agreement and the fees applicable to Courtesy Pay at any time in our discretion. If we make any changes to the Courtesy Pay program, we will notify you either by email if you have provided us with an email address or by regular mail to the address we have on file for you. You will be deemed to have received the notice three days after we send the notice. Any revised terms and conditions will be effective at the earliest date permitted by law. We reserve the right to terminate this service to you at any time.

14. Choosing Courtesy Pay. When you open an eligible checking account type, you are automatically enrolled in the Courtesy Pay program for checks, ACH/electronic items. You must affirmative “opt-in” to Courtesy Pay for everyday debit card and ATM transactions. You are not automatically enrolled in Courtesy Pay for debit card or ATM transactions by virtue of you establishing an account at CCFCU.