

### **Overdraft Coverage Options: Overdraft Privilege Protection, Line or Credit and Courtesy Pay**

We understand that unexpected overdrafts can happen from time to time. That's why we offer three overdraft options. You can select which options work best for you.

Service	Cost/Limitations
Overdraft Privilege Protection: Link your checking account to your savings account	No fee per transfer, limited to six transfers per month
Line of Credit	Finance charges, subject to credit approval
Courtesy Pay	\$35 Courtesy Pay fee per overdraft

- Overdraft Privilege Protection and a Line of Credit apply to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account or line of credit. Please note that lines of credit are subject to credit approval, finance charges and fees.
- Courtesy Pay allows you to overdraw your account up to the disclosed limit for a fee in order to pay a transaction. Even if you have overdraft protection, Courtesy Pay is still available as secondary coverage if the other protection source is exhausted.

We offer Standard Courtesy Pay and Premium Courtesy Pay options. Premium Courtesy Pay provides coverage for ATM withdrawals and debit card transactions. The chart below provides an overview of our two Courtesy Pay options.

Transactions Covered with Courtesy Pay	Standard Courtesy Pay (No action required)	Premium Courtesy Pay (Your consent is required)*
Checks	X	X
ACH automatic debits	X	X
Recurring debit card payments	X	X
Bill Pay items	X	X
Teller window transactions	X	X
ATM transactions		X*
Debit card transactions		X*

\* If you choose Premium Courtesy Pay on your consumer account, ATM withdrawals and everyday debit card transactions will be included with the transactions listed under Standard Courtesy Pay. If you already have Premium Courtesy Pay, it is not necessary to request it again. Existing business accounts automatically have Premium Courtesy Pay.

If you would like to select Premium Courtesy Pay for future transactions, call us at 301.779.8500, complete the online consent form found at [esfcu.org](http://esfcu.org) or visit any branch.

You can discontinue the Courtesy Pay service in its entirety by contacting us at 301.779.8500, sending us an email at [online@esfcu.org](mailto:online@esfcu.org) or visiting any branch.

## Important Information

- A link to another account or a line of credit is a less expensive option than an overdraft. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts. Good account management is the best way to avoid overdrafts. We offer Mobile Banking, Online Banking, telephone banking and email and text alerts to help members keep track of their balance. For additional financial education resources, please visit [mymoney.gov](http://mymoney.gov).
- The \$35 Courtesy Pay fee is the same fee amount that is charged if a check is returned as unpaid. If multiple items overdraw your account on the same day, each item will be assessed a Courtesy Pay fee or Return Item fee of \$35. Your account may become overdrawn in excess of the Courtesy Pay limit amount as a result of a fee.
- There is a limit of four (4) Courtesy Pay fees (\$140) per day.
- This describes the posting order for purposes of determining overdrafts. We generally post items in the following order: 1) ACH credits, 2) ACH debits (posted in order they are in the incoming file from Federal Reserve), 3) checks (post largest amount to least amount); however, exceptions may occur. ATM and debit card transactions are posted as they are received. Holds on funds (described below) and the order in which transactions are posted may impact the total amount of Courtesy Pay fees or return items assessed.
- Although under payment system rules, Educational Systems FCU may be obligated to pay some unauthorized debit card transactions, Educational Systems FCU will not authorize debit card or ATM transactions unless there are available funds (including Overdraft Coverage Options) to cover the transactions and any fee(s).
- Giving us your consent to use Courtesy Pay to pay debit card and ATM overdrafts may result in you incurring Courtesy Pay fees for transactions that we would otherwise be required to pay without assessing a Courtesy Pay fee. However, this would allow us to authorize transactions up to the amount of your Courtesy Pay limit and may also help you avoid overdrafts in excess of your available funds that could result in restriction of your debit card.
- Educational Systems FCU authorizes and pays transactions using the available balance in your account. Educational Systems FCU may place a hold on deposited funds in accordance with our Deposit Account Agreement and Disclosure, which will reduce the amount in your available balance. The available balance for checks, ACH items, and recurring debit card transactions is comprised of the ledger balance, less any holds on deposited funds and any debit card holds, plus the amount of the Courtesy Pay limit and any available overdraft protection. The available balance for ATM and everyday debit card transactions on accounts with Standard Courtesy Pay is the ledger balance, less any holds on deposited funds and any debit card holds, plus any available overdraft protection, but does NOT include the Courtesy Pay Limit. For accounts with Premium Courtesy Pay, the Courtesy Pay Limit is included in the available balance for authorizing ATM and everyday debit card transactions.
- Please be aware that the Courtesy Pay amount is not included in your available balance provided through Online Banking, Mobile Banking or Engagement Client's ATMs.
- Educational Systems FCU will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction. When the hold ends the funds will be added to the available balance in your account. If your account is overdrawn after the held funds are added to the available balance and the transaction is posted to the available balance, a Courtesy Pay fee may be assessed.
- Except as described in this letter, Educational Systems FCU will not pay items if your account does not contain available funds (including the Courtesy Pay limit) to cover the item(s) and the amount of any fee(s).
- If your debit card is restricted, you will be unable to use your debit card for purchases or to access your account at the ATM, and if you use your debit card for recurring payments, e.g., utilities, you are responsible to make other arrangements for your recurring debit payment(s).
- Courtesy Pay is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Courtesy Pay may be discontinued if you default on any loan or other obligation to us, your account becomes subject to any legal or administrative order or levy, or if you fail to maintain your account in good standing by not bringing your account to a positive balance within 32 days.
- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Membership Account Agreement. The total (negative) balance, including all fees and charges, is due and payable upon demand.

*\* Existing business accounts are eligible for Courtesy Pay. The Credit Union does not offer new business accounts.*