



## COURTESY PAY

Newaygo County Service Employees Credit Union (NCSECU) Courtesy Pay is a service offered at no additional cost to our members who maintain share draft (checking) accounts in good standing. Courtesy Pay assists members with short-term payment needs, provides members with convenience, and assures that mistakes made in a member's check register will not inadvertently result in a returned item, thereby, helping members retain good credit and reputation with merchants and the financial community.

Under the Courtesy Pay program, a member of NCSECU may overdraft his or her checking account by means of draft, check, CU\*Easy Pay item, or electronic item. We may, at the (Credit Union's sole discretion), pay his/her reasonable overdrafts as a non-contractual courtesy. Generally we will not pay an overdraft in total excess of \$750 (including fees). The Credit Union will charge the member a Courtesy Pay fee for each item paid on that member's account. (See the Credit Union Fee Schedule for fee amounts.)

A member may not overdraw his/her account under Courtesy Pay and redeposit those funds into his/her account.

### Eligibility

In order to be eligible for Courtesy Pay, a member must be:

1. Eighteen years or older
2. Qualify for a checking account
3. Be a member in good standing

- (1) A member in good standing is one who has owned the checking account for 60 days; does not have a negative balance on the account; has had no more than two items returned as non-sufficient funds (NSF) since the account was opened; a loan that has not exceeded 60 (consecutive) days of delinquency; or has not caused a loss to the Credit Union.

### Activation

On the first of every month, the computer system automatically activates Courtesy Pay on accounts that meet the eligibility qualifications. A notice will be mailed to the member when Courtesy Pay has been activated on his/her account.

### Use of Courtesy Pay

When a member uses the Courtesy Pay, a notice will be sent to the member to advise them of: the items that activated Courtesy Pay and the dates of activation; the amounts

of the items; the Courtesy Pay fees that have been assessed; their total current balance; and the number of days before the account must be brought to a positive balance.

### Loss of Courtesy Pay

If the member has not repaid his/her entire outstanding Courtesy Pay obligation to the Credit Union within 30 days, he/she will no longer be in good standing. The Credit Union will not honor any further overdrafts to the account (even if he/she has not exceeded the Courtesy Pay limit). All credits will be accepted.

The Credit Union reserves the right to remove a member from the Courtesy Pay program for cause (check kiting, employee abuse, default on loan, fraud, etc.) at any time.

### Notices

The member will be notified of his/her outstanding obligation at 15, 30, 37, and 45 days.

- 15-day notice – to let the member know an account is overdrawn, and a deposit is needed to bring the account to a positive balance.
- 30-day notice – to let the member know an account is overdrawn; a deposit is needed to bring the account to a positive balance; the Courtesy Pay has been removed from the account, and a repayment plan agreement needs to be signed by member if he or she chooses.
- 37-day notice – to let the member know an account is overdrawn; a deposit is needed to bring the account to a positive balance, and a repayment plan agreement needs to be signed by the member if he or she chooses.
- 45-day notice – to let the member know the checking account was closed and that the Credit Union will pursue collection action.

The Credit Union will provide members who have difficulty repaying their obligation under the Courtesy Pay with the opportunity to sign a repayment plan agreement (non-interest) with repayment of the entire outstanding obligation to occur within four months. In the event a member does not repay his/her entire outstanding obligation to the Credit Union within 120 days, he/she will forgo the privilege of Courtesy Pay, be removed from the program, and be subjected to regular collection procedures as addressed in NCSECU account agreement with the member.

### Opt-Out

A member may elect not to participate in the Courtesy Pay program at any time by notifying us with a signed written request.

### Direct Deposit

Members will be advised that if they have Social Security and veterans' disability incomes directly deposited into their checking account, they may opt-out of the Courtesy Pay program to avoid a recovery against that government deposit.

#### Limitations

NCSECU reserves the right to limit the privilege of participating in the Courtesy Pay Program to one checking account per member.

#### Courtesy Pay Disclaimer

The Newaygo County Service Employees Credit Union's Courtesy Pay Program is a non-contractual courtesy and is discretionary. It is not an obligation of the Credit Union, and the Credit Union may refuse to provide the courtesy on any checking account at any time and from time to time. The account holder does not have a contractual right to Courtesy Pay, and Courtesy Pay is not guaranteed by the Courtesy Pay Program.