

STANDARD OVERDRAFT PROTECTION (COURTESY PAY)

What is an overdraft?

An overdraft occurs when you do not have enough* money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in the following way:

1. We have standard overdraft practices called Courtesy Pay that comes with your Unified Checking Account, for which you can opt-in below.
2. We also offer overdraft protection plans, such as a link to your other accounts, which may be less expensive than our standard overdraft practices. For more information, see our Overdraft Protection Plans agreement.

This notice explains our standard overdraft practices.

*We determine whether you have enough money in your account for purposes of assessing overdraft fees based on your available balance. Please see the Important Terms Regarding Overdrafts on page 2 for more information.

What are the standard overdraft practices under Courtesy Pay?

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments

We do not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- ATM transactions
- Everyday debit card transactions

We pay overdrafts at our discretion, which means 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.

What fees will I be charged?

Under our Courtesy Pay program:

- We will charge you a Courtesy Pay fee of up to \$35.00 each time we pay an overdraft.
- We will charge you a maximum combined total of 6 (six) Courtesy Pay or NSF fees per day (up to \$210.00). After that, we may continue to pay items up to your Courtesy Pay limit and assess a fee. Any fees assessed in excess of the daily maximum (up to \$210.00) will be refunded to you no later than the next calendar day.

If you do not opt-in to our standard overdraft practices:

- We will charge you an NSF fee of \$35.00 each time we reject an item*.
- We will charge you a maximum total of 6 (six) NSF fees per day (up to \$210.00). After that, we may return items unpaid and assess a fee. Any fees assessed in excess of the daily maximum (up to \$210.00) will be refunded no later than the next calendar day.

* A particular item may be presented for payment multiple times. You may be charged an NSF or overdraft fee for each presentment.

What if I want you to authorize and pay overdrafts?

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call 888.493.4328, visit a branch, or opt-in at time of online account application.

You have the right to revoke your consent at any time by contacting us at the above addresses/phone number(s).

IMPORTANT TERMS REGARDING OVERDRAFTS

The following terms apply when overdrafts occur on your accounts. This document is incorporated into your Membership and Account Agreement as if fully set forth therein. If the terms of this document are in conflict with terms described in your Membership and Account Agreement, the terms of this document will control. By signing the document entitled, "What You Need to Know About Overdrafts and Overdraft Fees", and by using your Unified Checking Account, you agree to the following.

Understanding Your Obligations Regarding Overdrafts

- We use available balance to determine whether you incur overdrafts and associated fees.
- The law permits us to pay items drawn on your account in any order, even if the order in which we pay items causes an overdraft. We may honor any item or instruction even if it creates an overdraft or negative balance in your account or if it violates any minimum balance requirement or other requirements of the account, in which case you agree to pay all fees, penalties or other charges imposed on you as well as costs incurred by us. We may return as unpaid any item drawn on a form we do not provide or approve, and you are responsible for any loss we incur on such item. The Membership and Account Agreement provides further details in the section titled "How Transactions are Posted to your Account".
- Online postings and transactions are not made, and balance information is not updated, in real time or instantaneously.
- Merchants or payees may present an item multiple times for payment if the initial or subsequent presentment is rejected due to insufficient funds or other reason (representation). Each presentment is considered a separate transaction and may be charged a separate overdraft or NSF fee.
- Preauthorization holds for debt card transactions placed on sufficient available funds do not guarantee that an overdraft or NSF item will not occur. Transactions may occur after the preauthorization hold that reduces the balance before the final debit card transaction posts to the account (i.e., a previously written check may clear). In such case, you may be charged an overdraft or NSF fee.
- Having the ability to overdraw, even if you have overdraft protection, does not relieve you of your duty to make sure you have enough money in your account to cover your transactions.
- Courtesy Pay has a dynamic daily overdraft limit that determines the maximum amount of overdraft protection available to you. The dynamic overdraft limit is calculated on an algorithm that includes several variables such as account activity as well as the amount and frequency of deposits into the account. These variables are not inclusive and are subject to change. Your limit may be suspended or reduced to zero when eligibility criteria are no longer met.
- Excessive or repeated overdrafts can lead to suspension or termination of your Courtesy Pay services and/or checking account.
- It is your responsibility to monitor and balance your accounts. You are responsible for any overdrafts caused by you or any joint owner on your account.
- Courtesy Pay is not a loan or a line of credit and must be repaid promptly. Should the account remain overdrawn beyond thirty (30) days of the initial transaction posting, Courtesy Pay privileges may be revoked temporarily and the service frozen. For example, if you overdraft \$100.00 on the first of the month and \$200.00 on the 20th, then a total of \$300.00 is due on or before the 30th. The account must have a positive balance for a minimum of one (1) business day to allow the deposited funds to clear and reset the thirty (30) day repayment cycle. If day thirty (30) of the repayment cycle falls on a weekend or holiday, the account must have a positive balance as of the previous business day to be eligible for Courtesy Pay reinstatement. Should the account remain overdrawn beyond forty-five (45) days and no deposit of funds to bring the account to a positive balance could result in Courtesy Pay privileges being revoked permanently, the overdrawn balance being charged off as a loss to Georgia United and the loss reported to the credit bureau which is subject to collection. Such action could result in the checking account being closed and restriction of your membership privileges.
- We do not have to notify you if your account does not have enough money to cover drafts, fees or other posted items.
- We may not pay your overdrafts if you are not in good standing with us. Good standing means:
 - You keep or bring the account to a positive balance at least once every thirty (30) days
 - You are current on all loans and obligations
 - You have no past charge-offs that have not been fully recovered
 - There are no tax levies, garnishments, or other legal action against your account(s)
 - Your account is not being reviewed for unusual activity
 - We have a valid mailing address
- We reserve the right to change fees, change programs, or discontinue programs at any time.
- The account must have a positive balance for a minimum of one (1) business day to allow the deposited funds to clear and reset the thirty (30) day repayment cycle.
- You must be at least eighteen (18) years of age or older with a Unified Checking Account to be eligible for Courtesy Pay.

NOTE: Georgia United Credit Union reserves the right to revoke Courtesy Pay privileges, permanently or temporarily, at any time and to deny the payment of any transactions without prior notification.

Understanding your “available balance” versus “actual balance”

Your checking account has two kinds of balances: an “actual balance”, and an “available balance”. Both balances will change with any given check, debit card, or other transaction as you use your checking account.

What is “actual balance”?

Your “actual balance” is the actual amount of money in your account at any given moment in time. It may be referred to on your statement as “current balance” or simply “balance”. It reflects items that have been fully processed and actually posted to your account but not transactions that are still processing or “pending”. Some people say these transactions “have cleared my account”.

What is “available balance”?

Your “available balance” is usually a different number than your “actual balance”. Your “available balance” is the portion of your actual balance that is available for immediate withdrawal or to pay other debit items; it takes into account standard funds availability holds under our Funds Availability Policy, as well as any pending debits and credits we have received but not yet posted to your account (for example, preauthorized debit card transactions, pending checks, transfers, withdrawals, or other holds on your account). Items still in process or on hold may be referred to as “pending” on your online banking. The available balance changes throughout the day as transactions occur.

Available balance is the amount of money you have in your account that is available for you to use without incurring an overdraft fee. This is the number you should use when determining whether any of your items or transactions will cause you to overdraw your account.

The following examples show how your balances work and how an overdraft can occur:

- Assume you have an actual balance of \$100.00 and an available balance of \$100.00. (This means that all transactions have cleared and you have no pending transactions because you haven’t used your account). Now, if you swipe your debit card at a restaurant for \$35.00, a hold will be placed on your account as the transaction is processed, and your available balance will be reduced to \$65.00. Your actual balance, however, remains \$100.00 until that transaction is actually posted to your account.
Now assume that a week prior to the transaction at the restaurant, you had written a check to your friend for \$75.00. She cashes it while your available balance is \$65.00. This will cause an overdraft on your account because the check is for more than the available balance, even though the \$35.00 restaurant transaction has not yet posted to your account. The total transactions were \$35.00 (restaurant) + \$75.00 (check) = \$110.00, when your balance was only \$100.00. Once both transactions are posted to your account, your actual balance will be negative \$10.00 and your available balance will be \$0.00. You will need to deposit more money into your account to avoid further overdrafts and fees.
- Assume you just deposited a large check (over \$5,000.00) into your checking account this morning. Under federal regulations, we can delay availability of those funds for a certain number of days. If we do so, we will notify you at the time you make the deposit. Until the deposited funds have cleared and the hold has been lifted, you will not have those funds as part of your available balance. So, if your available balance at the time you deposit a \$6,000.00 check is \$100.00, your available balance will still be \$100.00 until the hold is lifted. If you had written a check for \$4,000.00 last week and that check is posted before the hold on the \$6,000.00 deposit is lifted, an overdraft will occur.

Reliability of Your Available Balance

You can view both your actual balance and available balance online. The available balance and actual balance listed may not be completely accurate at any given time you view it because it may not yet reflect any pending items, *i.e.*, you may have written checks that have not been cashed or deposited yet or you may have preauthorized recurring payments that haven’t processed yet.

You should keep all outstanding items in mind when determining your balance for overdraft purposes. It is your responsibility to know what transactions you may still have outstanding.

Will a debit card transaction hold always be the exact same amount as the actual transaction?

No. Some merchants, particularly gas stations, hotels, car rental agencies, and sometimes restaurants will preauthorize an amount greater than your actual transaction. For example, gas stations may preauthorize up to \$75.00 because they don’t know how much gas you will buy at the time you swipe your card. This hold should only last a few hours before it is released and the actual transaction amount is known. This actual amount is often referred to as the “final settlement request” by the merchant to the bank.

A hotel may preauthorize an amount equal to one night’s stay, and can hold that amount for up to seventy-two (72) hours at the time you make reservations. When you check in, it can also place another authorization to cover any incidental expenses you may incur during your stay. Once you check out and the hotel processes the transaction, the actual amount that you incur (final settlement) will be posted.

Car rental agencies can also preauthorize an amount greater than the rental to cover any incidental expenses you may incur and will process the actual amount (final settlement) once you return the vehicle and the rental contract is completed.