

## **Appalachian Community Federal Credit Union** **Discretionary Courtesy Pay Disclosure**

Generally, Appalachian Community Federal Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. However, Appalachian Community Federal Credit Union offers qualified members a Discretionary Courtesy Pay Service (“Courtesy Pay”) on certain accounts. Courtesy Pay allows us to pay qualified inadvertent overdrafts of your covered account, subject to the limit of your then-existing Courtesy Pay limit and the amount of the overdraft fee. Courtesy Pay is not a line of credit. Any discretionary payment by Appalachian Community Federal Credit Union of an overdraft check (or item, such as an ATM withdrawal) does not obligate Appalachian Community Federal Credit Union to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

Overdrafts may be created by checks, ACH, ATM withdrawals, everyday debit card transactions, in-person withdrawals, or by other means. Each overdraft paid, in whole or in part, by Courtesy Pay will incur a \$38 fee. For example, if you use your debit card 3 times in one day, and each use causes an overdraft paid by Courtesy Pay, you will be assessed a total fee of \$114. There is no limit on the total fees we can charge you for overdrafts.

Payment by Appalachian Community Federal Credit Union is a discretionary courtesy and not a right of the member or an obligation of Appalachian Community Federal Credit Union. To qualify for Courtesy Pay, you must maintain your account in good standing, which means at least:

- A) Bringing your account to a positive balance within a thirty (30) day period for a minimum period of 1 business day;
- B) Not being in default on any loan or other obligation to Appalachian Community Federal Credit Union; and
- C) Not being subject to any legal or administrative order or levy.

Courtesy Pay is generally limited to a maximum of \$500 overdraft (negative) balance. Of course any and all fees and charges, including without limitation, the non-sufficient funds fees (as set forth in our fee schedules and deposit account agreement and disclosure), will be included in this maximum amount. It may be possible that your account will become overdrawn in excess of the Courtesy Pay amount as a result of the assessment of a fee.

The total of the Discretionary Courtesy Pay (negative) balance, which includes any and all fees and charges, including all non-sufficient funds/overdraft fees, is due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Deposit Account Agreement and Disclosure.

While Appalachian Community Federal Credit Union will have the discretion to pay overdrafts on accounts in good standing (as described above), any such payment is a discretionary courtesy, and not a right of the member or an obligation of Appalachian Community Federal Credit Union and Appalachian Community Federal Credit Union in its sole and absolute discretion, can cease paying overdraft at any time without prior notice of reason or cause. If you do not maintain your account in good standing, the Courtesy Pay limit will be removed.

For our consumer members, Appalachian Community Federal Credit Union will not pay overdrafts for ATM or everyday debit card transactions unless Appalachian Community Federal Credit Union has provided you with the notice required by §1005.17(b) of Regulation E and you have opted in to the payment of these overdrafts. In order to avoid overdrafts due to ATM and everyday debit card transactions, Appalachian Community Federal Credit Union will place a hold on your account for any ATM or everyday debit card transaction authorized until the transaction settles. ATM and everyday debit card transactions usually settle within two business days after the transaction is authorized. The amount of the hold will be for the amount authorized, or as permitted under applicable payment network rules. Holds on authorized ATM and everyday debit card transactions will be removed prior to settlement where required by applicable payment network rules.

Consumer members may discontinue having Courtesy Pay cover future transactions at any time by contacting one of our Member Services Representatives.

The Deposit Account Agreement and Disclosure provided to you at the time you opened your account with us governs the duties, obligations and rights of the Depositor, the Authorized Signatories and Appalachian Community Federal Credit Union with regard to your checking account. The Deposit Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Courtesy Pay Disclosure and the Deposit Account Agreement and Disclosure. A copy of the Deposit Account Agreement and Disclosure is available to you on request.

It is the policy of Appalachian Community Federal Credit Union to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

All information in this disclosure is effective September 2015.