

UKFCU COURTESY PAY DISCLOSURE

What is an overdraft? An overdraft occurs when you do not have enough money available in your account to cover a transaction, but UKFCU pays it anyway. UKFCU can cover your overdrafts in two different ways:

1. **Standard overdraft practices “Courtesy Pay”** that come with your account.
2. We also offer **overdraft protection plans**, such as a link to a share/savings account or overdraft line of credit, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

The best way to avoid overdrafts and fees is to keep track of your account balance by entering all debits and credits into your checkbook register, reconciling your account regularly, and managing your finances in a responsible manner. At the University of Kentucky Federal Credit Union (“UKFCU”), we discourage overdraft activity and want to be partners in developing and maintaining healthy financial habits.

What is Overdraft Protection? If you sign up for our Overdraft Protection Service, UKFCU may pay your transactions drawn against an insufficient available balance of your checking account by transferring from another share you have with us to the checking account. We will assess a transfer fee (see schedule of fees) to cover the cost of this service. You understand that we may apply funds deposited to the account(s) you have with us to your outstanding overdrafts and fees regardless of the source of deposit, including directly deposited government entitlements or benefits such as Social Security deposits.

An available balance is the actual balance in the account, less any amounts on hold. Holds are placed for many reasons, including deposit holds, or instances in which charges have been made but not yet cleared. It is the policy of the University of Kentucky Federal Credit Union to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

What is Courtesy Pay Overdraft Privilege? Courtesy Pay is an automated system with limitations as described below that may pay items presented for payment on member accounts against insufficient available funds. Courtesy Pay is not a line of credit. Courtesy Pay is administered at our discretion, which means that we do not guarantee that we will always authorize or pay any type of transaction. If we do not authorize and pay an overdraft, your transaction may be declined.

Once your eligible account is open and has met general requirements for being in good standing (which includes but is not limited to):

1. Bring the primary checking account balance to a positive balance within every 30 days.
2. No excessive occurrence of Insufficient Funds activity.
3. No excessive use of the Courtesy Pay Overdraft privilege.
4. Not being in default on any loan or other obligation to UKFCU.
5. Not being subject to any legal or administrative order or levy and.
6. No collection activity; then

If you qualify, UKFCU will have the discretion to pay overdrafts within the Courtesy Pay limits. Limits are determined per account by the age of the account, the account deposit history, previous overdraft activity, and whether the account is or is not in good standing. Limits may vary and are subject to change daily based on changes in the account. Overdraft transactions that exceed the assigned Courtesy Pay limit may result in items being returned unpaid to the payee, as well as an insufficient funds fee of \$29 per item. Courtesy Pay is a courtesy and not a right of the account holder or an obligation of UKFCU. There will be a fee assessed for each item paid by Courtesy Pay Privilege on the account. Any discretionary payment (or other negotiation or processing) by the University of Kentucky Federal Credit Union of any non-sufficient funds item does not obligate or create an agreement or course of dealing for UKFCU to pay any additional non-sufficient funds check or item or to provide prior notice of its decision to refuse to pay additional non-sufficient funds check or item.

We may pay overdrafts for the following types of transactions:

- Share drafts/Checks and other transactions made using your checking account
- ACH transactions
- Automatic Bill Payments

We do not pay overdrafts for the following types of transactions unless you ask us to do so and Opt-In for that coverage:

- One-time debit card transactions

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- ATM transactions

If we do not authorize and pay any overdraft transaction, the item will be declined unless we are otherwise required to pay it, and fees or penalties may be assessed by the presenter.

How do I Opt-In for the Courtesy Pay program for my Debit Card and ATM transactions? If you would like UKFCU to authorize and pay overdrafts on your ATM and Debit card transactions, contact UKFCU at (859)264-4200 or visit a branch to opt in for ATM and Debit Card coverage.

How do I opt out of the Courtesy Pay program? If you would like UKFCU to stop authorizing and paying overdrafts on your transactions, contact UKFCU at (859)264-4200 or visit a branch to opt out of the Courtesy Pay privilege. If you **Opt-Out**, items may be declined unless we are otherwise required to pay them, and fees or penalties may be assessed by the presenter.

What fees will your account be charged if the University of Kentucky Federal Credit Union pays an overdraft transaction? We will charge you a fee of \$29 each time we pay an insufficient funds transaction. We will charge you a fee of \$29 every time you utilize the Courtesy Pay privilege. There is a limit of \$870.00 in combined Insufficient Funds, ACH OD NSF Fee, and Courtesy Pay Fees per calendar month on your account.

Additional Important Information: UKFCU reserves the right to limit participation to one account per household or business, as well as to suspend, revoke, or discontinue this service without prior notice. Please refer to our Truth in Savings disclosure for important fee information. For details regarding available vs. actual balances, refer to your Member Account Agreement. The Member Account Agreement also includes important information regarding payment orders of transactions. If your account remains negative for thirty days or more, it may be subject to closure and charge-off. If your account is assessed thirty or more combined Insufficient Funds or Courtesy Pay fees within thirty days, your account may be considered abusive and be considered ineligible for the program(s). Closures and charge-offs including any fee amounts may be reported on your credit file. If there is more than one owner on the account, each owner or agent will be jointly and severally liable for all overdrafts and fees charged.

What should I do if I'm unable to repay my negative balance within a 30-day period, or am using it more frequently than I would like? Please reach out to us at (859)264-4200 if you believe you will not be able to repay your negative account balances within the required period or find that you are using the Courtesy Pay privilege too frequently.

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