

## KELLOGG COMMUNITY CREDIT UNION

41 SECOND ST  
PO BOX 140  
BATTLE CREEK, MI 49016-0140  
269-968-9251  
WWW.KELLOGGCCU.ORG

---

## Courtesy Pay Disclosure

---

It is important for you to use your checking account responsibly and to never intentionally overdraw your account. However, we realize that financial shortfalls happen from time to time and we have several options available for you. As a benefit to our members, we offer these useful services to cover you in the event that you overdraw your checking account.

### Overdraft Protection Options

**Transfer from another account** - You may authorize us in advance to transfer funds from your saving account to cover your overdrafts. There is a \$5 per transfer fee.

**Line of Credit & Credit Card** - A line of credit or credit card may be available to cover overdrafts. This service requires you to complete an application and approval is based on credit worthiness. Contact Member Services for applicable terms and conditions.

**Courtesy Pay** - Courtesy Pay is a service we add to your checking account to cover overdrafts to a set limit, subject to the eligibility criteria as explained below. With courtesy pay we will generally pay your overdraft items up to \$1,000, however, whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or if you have too many overdrafts. When we pay overdraft items for you, you will be charged our normal Courtesy Pay fee, currently \$30, for each item that is presented. Both the amount of the overdraft items and all applicable fees, including but not limited to the Courtesy Pay fees, are included in this limit. All deposits to overdrawn accounts are applied to the negative balance.

### Eligibility

No application is required for Courtesy Pay; eligibility is at the sole discretion of the Credit Union and is based on you managing your checking account in a responsible manner. Your Courtesy Pay may be suspended or permanently removed based on the following criteria:

- \* Account must have been opened a minimum of 30 days.
- \* Must have a positive balance at the time of evaluation.
- \* No NSF returns since account opening.
- \* Must have \$5 membership share in 000.
- \* 18 years of age or older.
- \* If a member's checking account is negative for 17 consecutive days, Courtesy Pay will be deactivated, and the 'Neg Balance Limit' will be set to 0.00.
- \* Deactivation can occur at any time during the month.
- \* Once the member brings the account positive, Courtesy Pay will be automatically reactivated the first business day after the account remains with a positive balance, if there have been no more than 3 NSF returns in the calendar year.
- \* KCCU has the right to revoke Courtesy Pay at any time outside of these automatic parameters.

### Transactions Covered by Courtesy Pay

Courtesy Pay will cover overdrafts for checks and other transactions made using the checking account number, ACH transactions, & re-occurring automatic bill payments and debit card transactions.

The Credit Union will also offer a one-time debt and ATM transaction that will cause an overdraft. To access this feature, you would have to go onto online banking and opt in for those transactions. After you opt in, you may opt out at any time by going onto online banking and opting out for those transactions. Each transaction that uses the courtesy pay feature is subject to the Credit Union's \$30 courtesy pay fee.

### Note

If you have consented to Courtesy Pay for ATM transactions, please verify your balance before initiating an ATM withdraw. The credit union goes by the "available" rather than the "actual" balance in an account. All overdrafts will be subject to our \$30 Courtesy Pay fee for each withdraw until the account returns to a positive balance.

### Account Agreement

Your account agreement describes the duties, obligations, and right of depositors, authorized signatories and the Credit Union with regard to your deposit account. The account agreement is incorporated herein for all purposes as if were set forth verbatim as to matters not directly addressed by disclosure. Your agreement and this disclosure shall be construed so as to minimize conflict between them.

**Waiver**

The Credit Union forbearance from, or delay in, exercising any of the Credit Union's right, remedies, privileges, or right to insist on your strict performance of any provisions on your account agreement, this Courtesy Pay disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Credit Union's rights, remedies or Privileges.

**Remedy**

You and the Credit Union agree that the exclusive remedy and forum for all disputes arising out of the Courtesy Pay or your Credit Union's performance there under, except for matters you or the Credit Union take to small claims court, is arbitration by an independent arbitrator pursuant to the applicable rules of the America Arbitration Association, except as prohibited by law.

**Opt Out**

If you do not want Courtesy Pay on your account, please contact Member Service, or visit any of our branches. You may never need to take advantage of Courtesy Pay but may find it useful in the event of a temporary short fall. It is important for you to consider that there is no additional cost for Courtesy Pay and that by opting out you are instructing us to return unpaid items presented against insufficient funds, including electronic items. We will deny overdraft access through any channels such as ATM or debit card transactions. Even though you have opted out, you will still be charged out \$30 NSF fee for each item returned.