

Courtesy Pay

Discretionary Overdraft Privilege for Your Checking Account

We want to educate you on the overdraft coverage available in the event funds do not exist in your checking account to cover a purchase or transaction. We have several ways these transactions can be covered:

- 1) We can set up an Account Transfer from a statement savings, money market or separate checking account, and funds will be transferred to cover the transaction that would overdraw your checking account.
- 2) You can apply for a small, unsecured line of credit that would be available to cover you when a transaction overdraws your account. There is an APR on funds that are transferred from a Line of Credit to your checking account to cover the transaction that will overdraw your account.
- 3) We also have our Overdraft Protection in which we will strive to pay check and auto draft items for you when funds are not available in your account. When an account has insufficient funds, a \$25.00 fee is charged for every non-sufficient fund item whether the item is paid or returned unpaid.

It is the obligation of the institution to operate in accordance with all safety and soundness standards. Therefore, a continual evaluation of all accounts is performed to determine if it is financially sound to honor items that may cause an overdraft situation for a particular account. The account criteria evaluated are:

- Age of Account
- Bringing your account balance positive at least once within every thirty(30) day period(meaning your balance must remain positive after all account activity is posted for that business day)
- Deposits Balances
- Deposit Regularity
- Previous Overdraft Activity
- Account Status relating to any legal or administrative order or levy
- Status of Loan Obligations with the institution

We can extend this account feature to your everyday debit and ATM transactions with your acknowledgment. If you choose to request this service and funds do not exist in your account, we will strive to pay those everyday debit purchases and ATM transactions. If we do need to cover an item for you, you will be charged a fee of \$25.00 per transaction that overdraws your account.

The institution is not obligated to cover any items, defined as checks, ATM withdrawals, Point of Sale (POS) or debit card transactions, preauthorized debits, or any other electronic transactions, presented for payment if the account does not contain sufficient collected and/or available funds. Furthermore, service charges assessed against items presented against the account, does not obligate the institution to pay said request for funds, nor does it obligate the institution to provide prior written notice of the decision to refuse payment. Should a check be submitted or a transaction be made for funds exceeding what is available in the account, pursuant to the Depositor's Account Agreement, the account holder is responsible for the amount of any overdraft and applicable fees immediately. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to our account type. So as not to exceed your limit, please note the amount of the overdraft **plus** the credit union's NSF fee of \$25 (per item) will be deducted from the overdraft limit. It is the obligation of the account holder to keep their account in good standing with the institution and to bring their account to a positive balance immediately should an overdraft situation occur, without notice or demand from the institution.

Courtesy pay should not be viewed as an encouragement to overdraw your account; Sierra Pacific Federal Credit Union encourages you to manage your finances responsibly. If the account holder

would prefer that the institution not honor any items when there are not sufficient funds in the account, the account holder may opt out of this discretionary service at any time by contacting the institution and expressing this preference. The account holder is fully aware that without this discretionary service or some other form of overdraft protection, such as an account transfer or line of credit (which is offered to qualified accounts), any items presented that overdraw the account may be returned unpaid with the applicable non-sufficient fund fee charged to the account for each item.

The Depositor's Account Agreement prescribes the duties, obligations and rights of the Depositor, as well as the Authorized Signatories and the institution with regard to the account. **The terms of the Depositor's Account Agreement supersedes the overdraft policy in any potential conflict of interests.**