



## DISCOVERY FEDERAL CREDIT UNION COURTESY PAY OVERDRAFT POLICY

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

The Account Agreement and Disclosure provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the authorized signers and Discovery Federal Credit Union with regard to your checking account. The Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Courtesy Pay Overdraft Policy and the Account Agreement and Disclosure. A copy of the Account Agreement and Disclosure is available to you on request from Discovery Federal Credit Union.

Courtesy Pay is not a line of credit product. However, if you overdraw your account, we will normally pay the overdraft, subject to the Courtesy Pay limit and the amount of the overdraft fee. Discovery Federal Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds, and any discretionary payment (or other negotiation or processing) by Discovery Federal Credit Union of any non-sufficient fund check or checks, electronic transfers, such as recurring bill payment - excluding ATM and one-time debit card transactions, (*Members must consent to overdraft protection for ATM and one-time debit card transactions by completing an ATM/Everyday Debit Card Transaction Opt-In Form*), or other item(s) does not obligate Discovery Federal Credit Union to pay any additional non-sufficient fund check or item or to provide prior notice of its decision to refuse to pay any additional non-sufficient fund check or item.

Pursuant to Discovery Federal Credit Union's commitment to provide its members with the highest level of financial services, now and in the future, if your account is maintained in good standing, which includes at least:

- A) Depositing an amount in your account that is greater than or equal to the amount of discretionary Courtesy Pay extended to you within each thirty (30) day period and bringing your account balance to a positive balance within every thirty (30) day period;
- B) You are not in default on any loan or other obligation to Discovery Federal Credit Union;
- C) You are not subject to any legal or administrative order or levy;
- D) You have \$5 in your account at the time the Courtesy Pay is made available to you.

Discovery Federal Credit Union will normally pay overdrafts within the Courtesy Pay Overdraft limits; however, payment by Discovery Federal Credit Union is a discretionary courtesy and not a right or obligation. Transactions that may be approved for overdraft include check, debit card, or other electronic transfers. This overdraft feature for consumer checking accounts will generally be limited to a maximum based on a limit derived from a third party matrix. Any and all fees and charges, including without limitation the non-sufficient funds fees (as set forth in our fee schedule) will be included as part of this maximum amount. The fee for Courtesy Pay is the same as the NSF fee regardless of whether the NSF item is paid or returned.

If Discovery Federal Credit Union returns a transaction due to insufficient funds, the merchant or payee may attempt to present the same item for payment one or more additional times. A Non-Sufficient Funds (NSF) fee may be charged each time the same item is returned unpaid.

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

While Discovery Federal Credit Union will typically pay overdrafts on accounts in good standing (as described above) payment is a discretionary courtesy, and not a right or obligation and Discovery Federal Credit Union in its sole discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

Any member may opt out of Courtesy Pay by notifying the credit union in writing of their decision to not be included in the overdraft privilege program.

For ATM and one-time debit transactions, you must consent to the Credit Union's ATM and Everyday Debit Card Transactions overdraft protection in order for the transaction amount to be covered under the plan. Without your consent, the Credit Union may not authorize and pay an overdraft resulting from these types of transactions. Services and fees for overdrafts are shown in the document the credit union uses to capture the member's opt-in choice for overdraft protection and the Fee Schedule.