

## COURTESY PAY DISCLOSURE

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This document describes the circumstances when GR Consumers Credit Union (GRCCU or 'we' or 'us') will pay overdrafts in your checking account and charge you a fee.

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 if you overdraw your checking account.

Overdraft means the available balance in your account is insufficient to pay for a transaction at the time the transaction is presented to GRCCU for payment.

### **OVERDRAFT PROTECTION PLANS**

Should an overdraft occur, and you have overdraft protection, then we may honor the transaction by:

\*Transferring the amount of the overdraft from your other share accounts. There may be a fee for this service. See our fee schedule for current fee amounts.

\*Transferring from a line of credit, in increments of \$100, up to your approved limit. This service requires you to complete an application and approval is based on creditworthiness.

If the funds are not available from these sources, we may decline to authorize or pay for the transaction, or we may pay it using our Standard Overdraft Practices (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 generally pay your overdraft items up to \$530, however, whether your overdrafts will be paid is discretionary and we reserve the right not to pay. When we pay overdraft items for you, you will be charged our normal Courtesy Pay fee for each item presented. See our fee schedule for current fee amounts.

### **ELIGIBILITY**

No application is required for Courtesy Pay; eligibility is at the sole discretion of GRCCU and is based on your responsibly managing your checking account. Your Courtesy Pay will be activated based on the following criteria:

- \*You are at least 18 years old
- \*Your checking account must have been opened a minimum of 90 days
- \*We must have your current, correct address
- \*Your account must have a positive balance at the time of evaluation
- \*You must not be delinquent on any loans with the credit union

Your Courtesy Pay may be suspended, or permanently revoked, based on the following criteria:

- \*If your account is negative for 30 consecutive days, Courtesy Pay will be deactivated, the Negative Balance Limits will be set to \$0, and all privileges will be suspended.
- \*If your account is not brought positive by the 45th consecutive day, the checking account will be closed. We may pursue all legal remedies available to us to collect the outstanding balance.

## **TRANSACTIONS COVERED BY COURTESY PAY**

Courtesy Pay applies when GRCCU pays overdraft checks, Automatic Clearing House (ACH) transactions, recurring debit card transactions, and bill pay transactions. You must affirmatively consent to have Courtesy Pay cover ATM or one-time debit card transactions. Without this consent, we may not authorize and pay ATM or one-time debit card transactions, which may result in insufficient available funds in your account. In these instances, the transaction may be rejected by GRCCU, and you will be charged an NSF fee. See our fee schedule for current fee amounts.

## **YOUR CHECKING ACCOUNT BALANCE**

Your checking account has two kinds of balances: the 'actual' balance and the 'available' balance. Both can be checked when you review your account online, at most ATMs, by phone, by mobile application, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time.

Your 'actual' balance is the full amount of all deposits, even though some portion of a deposit may be on hold and may not be available to you, less payment transactions that have been presented and 'posted' to your account, but not payment transactions that have been authorized and are pending. While the term 'actual' may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Any holds for purchase transactions or holds on deposits, fees, other charges, or deposits made, but not yet posted, will not yet appear in your actual balance. For example, if you have a \$50 'actual' balance, but you just wrote a check for \$30, your 'actual' balance is \$50, which does not reflect the pending check transaction. So, at this point, you actually have \$50, but you have already spent \$30.

Your 'available' balance is the amount of money in your account that is available for you to use without incurring a Courtesy Pay fee. The 'available' balance takes into account things like holds placed on deposits and pending transactions (such as pending debit card purchases) that GRCCU has authorized but that have not yet been posted to your account. For example, assume you have an 'actual' balance of \$50 and an 'available' balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask GRCCU to pre-authorize the payment. In that case, we will put a "hold" on your account reducing the balance by \$20 because once GRCCU authorizes the payment, we are obligated to pay it. Your 'actual' balance would still be \$50 because this transaction has not yet been presented to us and posted to your account, but your 'available' balance would be \$30 because you have committed to pay the restaurant \$20. When the restaurant submits its bill for payment (which may be a few days later), we will post the transaction to your account. Your actual balance will be reduced by \$20 and both your 'actual' and 'available' balance will be \$30.

'Available' balance is used to determine when your account is overdrawn. The following example illustrates how this works:

Again, assume your 'actual' and 'available' balance are both \$50 and you use your debit card at a retailer for \$20. A hold is placed on your account, so your 'available' balance is only \$30. Your 'actual' balance is still \$50. Before the retailer's charge is sent to us for processing, a check that you wrote for \$40 clears your account. Because you only have \$30 'available' (you committed to pay the retailer \$20), your account will be overdrawn by \$10, even though your 'actual' balance is \$50. In this case, we may pay the \$40 check, but you will be charged a Courtesy Pay fee. That fee will be deducted from your account, further reducing the balance.

It is very important to understand that you may still overdraw your account even though the 'available' balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your 'available' balance may not reflect all your outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your 'available' balance until it is presented to us and paid from your account. In the example above, the outstanding check for \$40 will not be reflected in your 'available' balance until it is presented to GRCCU and posted to your account.

In addition, your 'available' balance may not reflect all your debit card transactions. For example, if a merchant obtains GRCCU's prior authorization but does not submit a one-time or everyday debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we must release the authorization hold on the transaction. The 'available' balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid for from your account.

## HOW TRANSACTIONS ARE POSTED TO YOUR ACCOUNT

There are two types of transactions in your account: credits, or deposits of money into your account, and debits, or payments out of your account. It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time.

**CREDITS:** Most deposits are added to your account when we receive them. Credits to the account may include deposits such as cash, checks, ACH, and wires. In some cases, deposited funds may not be made available for use immediately. Thus, the 'available' balance may not reflect the most recent deposits into the account. For details on the availability of funds, see the Funds Availability disclosure.

**DEBITS:** There are several types of debit transactions. Each type of debit transaction is described generally below. Keep in mind that there are many ways transactions are presented for payment by merchants, and GRCCU is not necessarily in control of when transactions are received.

**\*CHECKS.** When you write a check, it is processed through the Federal Reserve System. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each weekday, excluding Federal Reserve holidays. We process the payments in the order contained in the data file.

**\*ACH PAYMENTS.** We receive multiple data files throughout every day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example, automatic bill payments you have authorized. Each file received by GRCCU is processed separately during each business day. Within each data file, ACH transactions for your account are grouped together. Credits are posted first, then Debit transactions are posted in the order they were received.

**\*POINT OF SALE (POS).** These are transactions in which you use your debit card to make a purchase and enter your PIN at the time of sale. These types of debit card transactions are similar to ATM withdrawals because money is usually deducted from your account immediately (thus reducing your 'actual' and 'available' balance) at the time of the transaction. However, some POS PIN transactions are not presented for payment immediately, it depends on the merchant.

**\*SIGNATURE DEBIT CARD TRANSACTIONS.** These are transactions where you make a purchase with your debit card, and you sign for the purchase instead of entering your PIN. As described above, in these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally place a temporary hold against the 'available' funds in your account. We refer to this temporary hold as an authorization hold.

The amount of the authorization hold will be subtracted from your 'available' balance as it is received throughout each day. At some point, after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours, or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real-time throughout the day and are posted to your account as they are received.

Please be aware that the amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, according to the processing network rules, a merchant (hotel, car rental company, retailer, etc.) may obtain authorization for up to 3 times the total estimated amount of your actual hotel stay, car rental, or purchase. This is deemed to be an "authorized amount" by you and the authorized amount will not be available via your account until after your bill is finally settled with such merchant(s), which can cause an overdraft in your account. Even if your bill is satisfied with another form of payment, the merchant/retailer may continue to hold the funds as originally authorized by you for these periods.

To avoid problems associated with these holds and authorizations, we recommend that you do not use your debit card when checking into hotels or renting cars, as they are the primary source of such holds/authorizations. Remember, we cannot control how much a merchant asks us to authorize, or when a merchant submits transactions for payment.

This is a general description of how certain types of transactions are posted. These practices may change, and we reserve the right to pay for items in any order we choose as permitted by law.

We may receive multiple deposit and withdrawal transactions on your account in many different forms throughout each business day. This means you may be charged more than one Courtesy Pay fee if we pay multiple transactions when your account is overdrawn.

**The best way to know how much money you have and to avoid courtesy pay fees is to record and track all your transactions closely.**

### **HOW TO OPT-OUT**

If you prefer not to have Courtesy Pay for one-time ATM or debit card transactions, please contact GRCCU through our website, by calling 844-538-3325 or by mailing your request to 3975 Clay Ave SW, Wyoming, MI 49548.

You may never need to take advantage of Courtesy Pay but may find it useful in the event of a temporary shortfall or error. If you do opt out, we will deny overdraft access for one-time ATM or debit card transactions. Even though you have opted out, you will still be charged our NSF fee for denied transactions. See our fee schedule for current fees.

### **ADDITIONAL TERMS**

Courtesy Pay is not a loan or other credit product and requires no application or credit approval process.

GRCCU is not obligated to authorize transactions or pay any overdrafts, even if you have Courtesy Pay. We will decide to pay overdrafts on a case-by-case basis, at our sole and absolute discretion. GRCCU may refuse to pay for any items without first notifying you, even though your account is in good standing and even if we have paid previous overdrafts.

For your overdrafts that are paid, you promise to immediately pay us all sums including the fees for this service advanced to you or any other person you permit to use your checking account and/or who causes an overdraft on your checking account.

You understand and agree that GRCCU may transfer funds to your checking account from any of your other accounts with GRCCU (excluding IRA accounts), including accounts upon which you are a joint owner, in an amount equal to the overdraft check, item, or other transaction we may pay, and the related fees. In addition to any other rights that we may have, you agree that any deposits, or future deposits, or other credits to any account in which you may now, or in the future, have an interest are subject to our right of off-set for any liabilities, obligations, or other amounts owed to us by you (overdrafts and any related fees) and such is applicable irrespective of any contribution to the account or source of funds in the account.

We may terminate or suspend Courtesy Pay services at any time without prior notice and we may adjust your Courtesy Pay limits based on criteria we establish. In no event shall any termination relieve you of your obligation to repay such sums already paid.