

“YES, PLEASE OPT IN MY KGEFCU DEBIT CARD(S) FOR OVERDRAFT PROTECTION PRIVILEGES on my ATM and one time debit card withdrawals.”

Print Name: _____

Telephone Number: _____

Signature: _____

Date: _____

Cut along dotted line and return in the postage paid envelope provided.



COURTESY PAY Policy
(Discretionary Overdraft Service)

A non-sufficient funds balance may result from: A) The payment of checks, electronic funds transfers, or other withdrawal requests; B) Payments authorized by you; C) The return, unpaid, of items deposited by you; D) The imposition of credit union service charges; or E) The deposit of items which according to the credit unions Funds Availability Policy, are treated as not yet “available” or finally paid.

We are not obligated to pay any item presented for payment if your account does not contain sufficient collected funds.

Rather than automatically returning, unpaid, any non-sufficient funds items that you may have, if your eligible account has been open for at least sixty (60) days and thereafter you maintain your account in good standing, which includes at least: A) Continuing to make deposits consistent with your past practices; B) You are not in default on any loan obligation to KGEFCU.; C) You bring your account to a positive balance (not overdrawn) at least once every thirty (30) days; and D) Your account is not the subject of any legal or administrative order or levy, **we will consider – as a discretionary Courtesy or service and not a right of yours nor an obligation on our part – approving your reasonable overdrafts.** Of course, any and all credit union fees and charges, including without limitation our non-sufficient funds/overdraft fees (as set forth in our fee schedules) will be included in this limit.

We may refuse to pay an overdraft for you at any time, even though your account is in good standing and even though we may have previously paid overdrafts for you. You will be notified by mail of any non-sufficient funds items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdrafts plus our \$20.00 Non-Sufficient Funds and/or Overdraft (NSF/OD) Charge(s) that you owe us shall be due and payable upon demand. If there is an overdraft paid by us on an account with more than one (1) owner on the signature card, each owner, and agent if applicable, drawing/presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts plus our Non-Sufficient Funds and /or Overdraft (NSF/OD) Charge(s). As a general rule, when multiple items are received simultaneously for payment, the items will be cleared in dollar amount order from the largest to the smallest dollar amount, which can affect the total amount of overdraft fees incurred. We reserve the right to change the clearing order at any time without notice.

Limitations: We may limit the number of accounts eligible for the COURTESY PAY service to one account per household. The COURTESY PAY service does not constitute an actual or implied agreement between you and the credit union. Nor does it constitute an actual or implied obligation of or by the credit union. This service represents a purely discretionary courtesy or privilege. The credit union may withdraw or withhold this courtesy at any time without prior notice, reason or cause.

KGEFCU PO BOX 711/2976 Ewalu St. Lihue HI 96766
www.kgefcu.org

Introducing...

COURTESY PAY

from

 **Kaua'i Government Employees**

Federal Credit Union

“Together, We Make It Happen”

www.kgefcu.org



**Because not every day can
be a day at the beach.**

Bounced checks and declined debit items no longer have to be a hassle or an embarrassment.

Let's face it, times are hard and money is tight. KGEFCU understands this and wants to help. This is why we are introducing the COURTESY PAY program.

With KGEFCU's COURTESY PAY, all members who are in good standing with the Credit Union and have had a Share Draft account for at least 60 days will receive our new COURTESY PAY service automatically.

What is COURTESY PAY?

Courtesy Pay is a non-contractual courtesy that we provide to our members with Share Draft (Checking) accounts. We may cover insufficient fund checks, electronic funds transfers, or other payment withdrawal requests up to the approved limit. This means that instead of returning an item to a merchant, the Credit Union may pay your item up to your \$500 limit, saving you from embarrassment and possible additional charges from the merchant or collection company. We will charge the same amount as we would for an NSF fee (\$20) for each item, and send a notice each time an overdraft occurs.

How does COURTESY PAY work?

When we receive an item for payment that causes the balance in your account to go below zero, we may as a courtesy, pay the check or debit up to \$500 including the overdraft fee. You must bring your account into a positive balance within 30 days.

What if I have overdraft protection from my savings or line of credit, won't overdraft items be covered by those?

Yes, your overdraft protection will still apply for any items presented when you do not have enough funds available in your Share Draft account. However, overdraft protection from your savings or line of credit will only transfer if you have sufficient funds or enough credit to cover the items being presented. Overdraft protection **WILL NOT** allow your account to be negative. **COURTESY PAY WILL.**

Is there a charge for COURTESY PAY?

There is no charge for having the service. We will charge our standard overdraft fee (NSF fee) per each overdrawn item as described in our COURTESY PAY Policy. The current fee is \$20.00 PER ITEM. The schedule of charges is also listed in the Schedule of Services Fees. Don't forget to subtract any fees from your checkbook balance.

What items does COURTESY PAY cover?

COURTESY PAY will cover check and ACH transactions automatically. However due to Federal regulatory changes in August 2010, ATM and One Time Debit Card transactions MAY not be covered. If you have previously opted in* for overdraft coverage on your Debit Card then YES your ATM and Debit Card transactions are covered as well.

How can I make sure the COURTESY PAY extends to my Debit Card and ATM Items?

Opting your debit card in for overdraft coverage is very easy. Simply complete the form in this brochure and return it to us in the postage paid envelope provided. We will do the rest.

How can COURTESY PAY benefit me?

COURTESY PAY may save you the embarrassment and expense of a returned check when you make an honest mistake in your checkbook, have unplanned expenses, or run short on cash between paydays. Instead of returning checks unpaid, we may automatically pay them for you, up to \$500.

***Members received a previous mailing in August 2010 to opt in their Debit Cards.**

If I use my COURTESY PAY, how long do I have to bring my account into balance?

You should bring your checking account to a positive balance as soon as possible. You have 30 days maximum to pay any overdraft and associated fees. However, depending on the situation, we can ask for repayment at any time. Any deposits you make or are made automatically will first be applied to any overdrawn balance and associated fees.

What happens if I can't bring my account to a positive balance?

With COURTESY PAY you have up to 30 days to bring your account to a positive balance. If you still have a negative balance at that time, your COURTESY PAY will be suspended or revoked until the account is returned to good standing, regardless if you've reached the \$500 limit or not. You also risk losing other services that the credit union currently provides. If your account balance is still negative after 90 days, you could lose checking privileges at this institution and any unpaid negative balance will automatically convert to an unsecured loan at the current designated interest rate.

How will I know if I use my COURTESY PAY?

We will mail a letter notifying you when you have activated your COURTESY PAY and overdrawn your account. We'll send reminder letters advising you of your overdraft until you bring your account up to a positive balance.

What if I go over my COURTESY PAY limit?

If you exceed the COURTESY PAY limit, any additional items will be returned or declined when presented for payment.