



## COURTESY PAY PRIVILEGE DISCLOSURE

An overdraft occurs when you do not have sufficient available funds in your checking account to cover checks, debit card purchases, automatic payments, or other payments or transfers out of your account when they are presented to KeyPoint for payment.

“Available funds” means the amount actually available in your checking account when an item is presented to KeyPoint for payment. “Available funds” may be less than your “actual balance.” For example, a hold placed for a pending debit card transaction, or a hold placed on a recent deposit of non-cash items may result in an available balance that is less than your actual balance. You can use Online or Mobile Banking, or Telephone Banking (call 888-255-3637) to determine both your actual balance and your available balance at any time. Refer to our Funds Availability Policy found in the Consumer Master Disclosure for our general deposit hold policy. Keeping track of all transactions on your checking account will help you avoid overdrafts.

If multiple payment items are presented against a checking account on the same day, we generally pay them in the following order, though *this order cannot be guaranteed*. (1) Automated clearinghouse (ACH) payments are posted as presented. (2) Checks are paid in the order received. (3) ATM and debit card payments are paid in the order received.

### OVERDRAFT PROTECTION PLANS

Savings or Money Market Accounts: You can authorize KeyPoint to transfer funds from your KeyPoint savings or money market account to cover checking overdrafts. This service will cover any overdraft transaction as long as you have sufficient available funds in the source account. All available funds in the source account can be used to cover overdrafts. Refer to the Truth in Savings disclosure covering the source account for minimum balance requirements and applicable fees.

You can also apply for a KeyPoint line of credit and authorize it as an overdraft protection source. If you are approved and the credit line has sufficient credit available, funds will be advanced to cover checking overdrafts. Credit approval is required. Overdraft advances from lines of credit accrue interest from the day they occur. Refer to the applicable credit agreement for additional information about fees, costs, and other terms.

With an overdraft protection plan, as long as your source account or line of credit has sufficient available funds or credit, overdrafts will not cause your checking account to have a negative balance. Source accounts or credit lines designated for overdraft protection will be utilized to cover overdrafts prior to using Courtesy Pay Privilege. If you anticipate overdrafts, you may wish to set up one or more overdraft protection plans as they are a less costly way to cover overdrafts than the Standard Overdraft Practices described below.

### STANDARD OVERDRAFT PRACTICES: COURTESY PAY

Your checking account comes with “Standard Overdraft Practices.” We call our Standard Overdraft Practices “Courtesy Pay Privilege.”

With Courtesy Pay Privilege, if a check, automated clearinghouse (ACH) payment, online or telephone payment or outgoing transfer, or recurring payment initiated using your debit card number is presented to KeyPoint when you do not have sufficient available funds or an established Overdraft Protection Plan available to cover it, KeyPoint Credit Union may, at our option, pay the item or return it for insufficient funds. Whether we pay or return the item, a fee of \$29.00 will be charged. There is no limit on the number or amount of overdraft fees that may be charged.

If the same item is presented against insufficient funds more than once, a fee will be charged each time the item is presented.

If we pay an item under Courtesy Pay Privilege, your checking account will have a negative balance which you must restore by making a deposit immediately, and in no event more than 32 days after we pay the item. Your failure to restore a negative balance may result in suspension of your debit card or suspension of other KeyPoint services.

You have the option to authorize KeyPoint to pay Automated Teller Machine (ATM) transactions or everyday debit card transactions under Courtesy Pay Privilege.

This means that if you attempt any ATM transaction or everyday debit card transaction against insufficient funds and you do not have an Overdraft Protection Plan with available funds or credit, the transaction will be approved and a **Premium Overdraft fee of \$29.00 will be charged**. We do not charge a fee for Courtesy Pay Privilege on ATM transactions or everyday debit card transactions if the transaction amount is less than \$5

If you later decide you would like to cancel Courtesy Pay Privilege for ATM transactions and everyday debit card transactions or opt out of Courtesy Pay Privilege entirely, you can call (888) 255-3637, visit a branch location or complete the bottom portion of "What You Need to Know About Overdrafts and Overdraft Protection" on the next page. Note that if you opt out of Courtesy Pay Privilege entirely, parties to which you send payments may charge late fees and/or returned payment items fees.

KeyPoint is NEVER obligated to pay an overdraft under Courtesy Pay Privilege, even though we may have accommodated you this way in the past. We can suspend or terminate Courtesy Pay Privilege any time for any reason or no reason without advance notice to you. Courtesy Pay Privilege is not a line of credit. Checking account balances available through Online or Mobile Banking, or Telephone Banking do not include Courtesy Pay Privilege.

Courtesy Pay Privilege will not be available if in our judgment you have had repeated overdrafts, you have not restored negative checking balances in a timely manner, you are in default on other obligations to KeyPoint, payment of an overdrafting item would cause a negative balance in excess of any maximum we set internally, your account is subject to levy or other legal process, or your account has not been open for at least 60 days.

Please feel free to call us or visit any KeyPoint branch with any questions about Overdraft Protection Plans or Courtesy Pay Privilege.

## WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

An overdraft occurs when you do not have sufficient available funds in your checking account to cover a transaction, but we pay it anyway. "Available funds" may be different from your actual account balance due to deposit holds, debit card purchase holds or other pending transactions. To obtain your "available funds" at any time, call (888) 255-3637 or use Mobile Banking or Online Banking. We can cover your overdrafts in two different ways.

1. We have standard overdraft practices that come with your account.
2. We also offer overdraft protection plans, such as a link to another account or line of credit, which may be less costly than our standard overdraft practices. To learn more, ask about these plans.

This notice explains our standard overdraft practices (which we call "Courtesy Pay Privilege").

- **What are the standard overdraft practices that come with my account?**

We do authorize and pay overdrafts for the following types of transactions

- Checks and other transactions made using your checking account number
- Payments and transfers initiated using Mobile or Online Banking
- Teller withdrawals
- Recurring transfers initiated with your debit card number

We will not authorize and pay overdrafts for the following types of transactions without your consent.

- ATM transactions
- Everyday debit card transactions

**We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.**

If we do not authorize and pay an overdraft, your transaction will be declined.

- **What fees will I be charged if KeyPoint pays my overdraft?**

Under our standard overdraft practices

- We will charge you a fee of up to **\$29.00** each time we pay an overdraft.
- We will not charge an Overdraft Fee if the amount of an ATM transaction or debit card point-of-sale transaction is \$5.00 or less and results in a negative account balance.
- There is no limit on the total fees we can charge you for overdrawing your account.
- If an item is presented more than once against insufficient funds, we can charge a fee each time it is presented.

**What if I want KeyPoint Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

To authorize and pay overdrafts on ATM and everyday debit card transactions, log in to online or mobile banking to opt in, call us at (888) 255-3637, visit one of our branch locations, or by completing the Overdraft Protection Consent form located in the Resources tab under Forms at [www.kpcu.com](http://www.kpcu.com). Once completed, mail the form to KeyPoint Credit Union, 2150 Trade Zone Ste 200, San Jose CA 95131, Attn: Member Services. You can revoke your authorization for KeyPoint to pay these overdrafts any time by contacting us at (888) 255-3637, visiting one of our branch locations, or completing the form referenced.