



200 Westgate Center Drive
P.O. Box 1060
Hadley MA 01035-1060

UMassFive College Federal Credit Union Discretionary Courtesy Pay Policy

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

The Deposit 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 Signatories and UMassFive College Federal Credit Union with regard to your checking account. The Deposit Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Courtesy Pay Policy and the Deposit Account Agreement and Disclosure. A copy of the Deposit Account Agreement and Disclosure is available to you on request from your UMassFive College Federal Credit Union representative.

Courtesy Pay is not a line of credit. However, if you inadvertently overdraw your account, we will have the discretion to pay the overdraft, subject to the limit of your Courtesy Pay and the amount of the overdraft fee. UMassFive College Federal Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by UMassFive College Federal Credit Union of an overdraft check (or item, such as an ATM withdrawal) does not obligate UMassFive College Federal Credit Union to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

Pursuant to UMassFive College Federal Credit Union's commitment to provide you with the best level of service, we will offer most members our Courtesy Pay service at account opening and UMassFive College Federal Credit Union will have the discretion to pay overdrafts within the Courtesy Pay limits. For the duration, your consumer account must remain in good standing. Good standing includes:

- A) Bringing your account to a positive balance within every thirty (30) day period for a minimum period of 24 hours,
- B) Not being in default on any loan or other obligation to UMassFive College Federal Credit Union, and
- C) Not being subject to any legal or administrative order or levy.

Payment by UMassFive College Federal Credit Union is a discretionary courtesy and not a right of the member or an obligation of UMassFive College Federal Credit Union. This privilege for consumer checking accounts will generally be limited to a maximum of \$700 overdraft

(negative) balance for accounts set up with direct deposit or \$500 overdraft (negative) balance for accounts without direct deposit. Student accounts have a \$200 overdraft (negative) balance regardless of direct deposit status. Of course, any and all fees and charges, including without limitation the non-sufficient funds fees (as set forth in our fee schedules and deposit account agreement and disclosure), will be included as part of this maximum amount. It may be possible that your account will become overdrawn in excess of the Courtesy Pay amount as a result of the assessment of a fee.

The total of the discretionary Courtesy Pay (negative) balance, which includes any and all fees and charges, including all non-sufficient funds/overdraft fees is due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Deposit Account Agreement and Disclosure. Our standard Overdraft fee of \$32.00 will be imposed for overdrafts created by checks, ACH, ATM withdrawals, everyday debit card transactions, in-person withdrawals, or by other electronic means. Transactions may not be processed in the order in which they occurred, and the order in which transactions are received and processed may impact the total amount of fees incurred.

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

For our consumer members UMassFive College Federal Credit Union will not pay overdrafts for ATM or everyday debit card transactions unless UMassFive College Federal Credit Union has provided you with the notice required by section 205.17(b) of Regulation E and you have opted in to the payment of these overdrafts. In order to avoid overdrafts due to ATM and everyday debit card transactions, UMassFive College Federal Credit Union will place a hold on your account for any ATM or everyday debit card transaction authorized until the transaction settles. ATM and everyday debit card transactions usually settle within two business days after the transaction is authorized. The amount of the hold will be for the amount authorized, or as permitted under applicable payment network rules. Holds on authorized ATM and everyday debit card transactions will be removed prior to settlement where required by applicable payment network rules.

In addition, for both consumer and commercial accounts, you may opt out of the Courtesy Pay services for check, ACH and debit card bill payment transactions at any time by contacting one of our Account Services Representatives.

January 1, 2017



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WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. 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 a savings account, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our standard overdraft practices.

➤ **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
- Automatic bill payments

We will not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- ATM transactions
- Everyday debit card transactions
- **What if I want UMassFive College Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call (413) 256-5500, email info@umassfive.coop, visit our website at www.umassfive.coop, or complete the form below and present it at a branch or mail it to:
P.O. Box 1060 Hadley, MA 01035-1060.

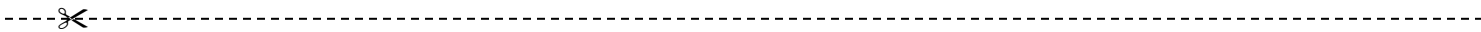
We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.

If we do not authorize and pay an overdraft, your transaction will be declined and you may incur a fee.

➤ **What fees will I be charged if UMassFive College Federal Credit Union pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of up to \$32.00 each time we pay an overdraft
- There is a limit of \$192.00 Over Draft Fee per day on the total fees we can charge you for overdrawing your account



_____ I want UMassFive College Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Name (please print legibly): _____

Date: _____

Last Four Digits of Account Number: _____