

Courtesy Pay Policy

An insufficient balance can result from several events, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you; (3) the return of unpaid items deposited by you; (4) credit union service charges; or (5) the deposit of items which, according to the credit union's Funds Availability Policy, are treated as not yet available. We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds.

As an additional member service, we offer a two-tiered overdraft service, "Courtesy Pay," where we may honor your checks and other payment requests when you have an insufficient balance in your checking account. This service is in addition to our other overdraft protection programs that we offer that include our sweep accounts and our overdraft line of credit. The first tier, our "Basic Courtesy Pay" service may cover your checks, your recurring debit card transactions, and your automated payments through ACH and electronic bill pay. Our second tier, our Extended Courtesy Pay, which supplements our Basic Courtesy Pay, will also allow us to authorize your every day debit card purchases and ATM withdrawals and transfers when your balance is insufficient.

If you do not request the Basic Courtesy Pay, any transaction presented for payment will be returned when you have insufficient funds in your account. If you only request Basic Courtesy Pay and do not request the Extended Courtesy Pay, your checks, recurring debit card, automated payments through ACH and electronic bill pay may be covered, but your every day debit card purchases and ATM card transactions will be denied if you do not have sufficient funds in your account. The Extended Courtesy Pay service is only available as an addition to the Basic Courtesy Pay and is not available separately.

We may pay the overdraft items specified under the terms of the either of these added services up to your current available Courtesy Pay limit as a non-contractual courtesy, as long as you maintain your account in "good standing." For Courtesy Pay consideration, your account is in "good standing" if you (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all credit union fees and charges); (2) avoid excessive overdrafts suggesting the use of Courtesy Pay as a continuing line of credit; and (3) have no legal orders, levies or liens against your account.

In the normal course of business, we generally pay electronic transactions first and then checks low to high, per the credit union's policy. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, please be aware that the order of item payment may create multiple overdraft items during a single banking day for which you will be charged our paid item OD fee of \$20 for each overdraft item paid with a maximum daily charge of 4 items per day.

You may opt out of just the Extended Courtesy Pay or both the Extended Courtesy Pay and Basic Courtesy Pay at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft plus the credit union's paid item OD fee of \$20 per item will be deducted from the overdraft limit.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in good standing as defined above, or, if based upon our review of your account management, we determine that you are using Courtesy Pay excessively or seem to be using Courtesy Pay as a regular line of credit. You will be charged a returned item NSF fee of \$20 for each item returned.

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 overdraft including our paid item OD fee of \$20 and/or a returned item NSF fee of \$20 that you owe us shall be due and payable upon demand, but if no demand is made, no later than 30 calendar days after the creation of the overdraft. If there is an overdraft on an account with more than one owner on the signature card, each owner and agent, as applicable, shall be jointly and severally liable for all overdrafts inclusive of fees.

Courtesy Pay should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconcile your check book regularly, and manage your finances responsibly. Should you at any time change your mind and choose to have either the Extended Courtesy Pay or the full Extended Courtesy Pay Privilege and Basic Courtesy Pay removed from your account, please call 1.855.MY.ACADIA (1.855.692.2234).

Please remember that with your Basic Courtesy Pay, the Courtesy Pay limit may be available for each item paid under the limit created by checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic payment (ACH) transaction, or automatic bill payment and recurring debit card payment. If you request the Extended Courtesy Pay, we may also authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your limit. The limit will not be included in the balance provided during an inquiry.

LIMITATIONS: Courtesy Pay is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or household use. Acadia Federal Credit Union reserves the right to limit participation to one account per household and to suspend, revoke, or discontinue this service without prior notice.



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Rev. 10/17

Acadia FCU-Courtesy Pay

Courtesy Pay...
Your Checking
Account Safety Net



Courtesy Pay Service Acadia Federal Credit Union

At times, unanticipated expenses or unforeseen problems can leave you with too little cash in your checking account. Having a check returned due to insufficient funds can be a costly, inconvenient and potentially embarrassing experience. Having your debit card denied when making purchases can also be similarly inconvenient and embarrassing. At Acadia Federal Credit Union, we do not encourage overdrafts and we encourage you to manage your finances responsibly. You should consider our formal overdraft protection programs such as our Auto-Transfer from savings account and our Overdraft Line of Credit as your best first line of defense against such situations. We recognize however that this is often not enough or that some members need an alternative kind of “overdraft coverage” to prevent a check from being returned or their debit card from being denied during purchases. That’s why we are providing Courtesy Pay, as a special optional overdraft service for our members.

What is Courtesy Pay?

Courtesy Pay is a discretionary overdraft coverage service that may provide you with a safety net up to an automatically assigned overdraft limit. We offer two tiers of coverage. Our **Basic Courtesy Pay** is designed to cover your checks and other transactions made using your checking account number. Other transactions include automatic bill payments and recurring debit card payments in addition to checks that you may have initiated that result in an insufficient balance. These items would normally be returned to the presenter who may charge you additional fees. Our **Extended Courtesy Pay** is offered in addition to, and as a supplement to, our Basic Courtesy Pay Coverage and will allow us to also authorize debit card transactions when making every day debit card purchases or when making ATM withdrawals, when your available balance is negative or insufficient to cover the item.

We will only provide our Basic Courtesy Pay or Extended Courtesy Pay at your request. If we do not receive your request, we will assume you want your items returned and your debit card purchases denied when you have an insufficient balance and do not have sufficient overdraft protection.

What does my Courtesy Pay cost?

There is no additional cost associated with this privilege unless you use it. With the Basic Courtesy Pay, you

will be charged our paid item OD fee of \$20 for each overdrawn item created by a traditional paper-based check, a teller withdrawal, an automatic payment (ACH) transaction, or a recurring debit card payment. If you have requested our Extended Courtesy Pay, we may also authorize and cover ATM transfers or withdrawals and everyday debit card purchases and you will be charged \$20 for each item if there are insufficient funds in your account when the item is received and paid. If you have multiple items, you will be charged this fee for each item, up to a maximum of 4 per day. For example, three paid items in one day will result in \$60 in paid item OD fees. To help you manage your account, the total fees you have paid for items (both paid and returned) during the current month, and for the year-to-date, will be reflected on your monthly checking statement.

How does Courtesy Pay work?

Once we receive your request and as long as you maintain your account in “good standing,” we may approve your overdraft items within your current available Courtesy Pay limit as a non-contractual courtesy.

For Courtesy Pay consideration, your account is in “good standing” if you (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all credit union fees and charges); (2) avoid excessive overdrafts suggesting the use of Courtesy Pay as a continuing line of credit; and (3) there are no legal orders, levies or liens against your account.

Please note that the amount of the overdraft plus our paid item OD fee of \$20 for each item will be deducted from your Courtesy Pay limit. If the item is returned, the returned item NSF fee of \$20 will be deducted from your account. No additional fees or interest will be charged on the overdraft balance.

Please refer to the member overdraft policy for additional details.

How do I know when I use the overdraft limit?

You will receive an overdraft notice by mail each time items are paid. You will need to subtract the total fees when balancing your checkbook. If you think your balance is low or are unsure of your balance, you may check your available balance using Acadia Online Banking, Teller-Phone, and most ATM machines. Remember, you may have other items in process that we have not yet posted, so your check book balance could be less than it appears since those items may be processed at the end of the day.

What is my Courtesy Pay limit? If I have two checking accounts, can I get Courtesy Pay on both?

The Courtesy Pay limit on checking accounts is \$300. If you have multiple accounts for your household, you may have a limit on all eligible accounts. You must tell us if you want either the Basic Courtesy Pay Coverage or the Extended Courtesy Pay Coverage on each account.

What if I go beyond my Courtesy Pay limit?

Overdrafts above your established Courtesy Pay limit may result in checks or other items being returned to the payee. You should not write checks that will cause you to exceed your limit since our returned item NSF fee of \$20 will be charged on each item we return. An NSF notice will be sent to notify you of items paid and/or returned. Your Extended Courtesy Pay will no longer authorize purchases once your limit has been reached to help protect you from additional fees.

How quickly must I repay my Courtesy Pay?

You should make every attempt to bring your account to a positive end-of-day balance as soon as possible, and must do so within 30 calendar days. If you are not able to do so, you will receive a letter from Acadia Federal Credit Union informing you that your Courtesy Pay limit has been suspended and additional items will be returned and your debit card purchases denied.

What are some of the ways I can access my Courtesy Pay limit? Will my limit be reflected in the balance I receive?

The chart below shows the different ways you can access your Courtesy Pay limit based on the tier of service you have requested and indicates whether or not this limit will be reflected in the balance provided.

Access Points	Is my Courtesy Pay available?		Does the balance provided reflect my Courtesy Pay limit?
	Basic	Extended	
Teller	Yes	Yes	No
Writing a Check	Yes	Yes	N/A
Debit Card (recurring)	Yes	Yes	N/A
Debit Card (everyday)	No	Yes	N/A
ATM Withdrawal	No	Yes	No
ACH - Auto Debit	Yes	Yes	N/A
Online Banking	No	No	No
Bill Pay	Yes	Yes	N/A
Teller-Phone Banking	No	No	No

How soon can I use my Courtesy Pay?

If you are a new member, you may be able to use the Courtesy Pay service 30 days after your account is opened, assuming your account is in “good standing” as defined in this brochure and you have requested the service.

What are some other ways I can cover overdrafts at Acadia Federal Credit Union?

The best way to avoid overdrafts and fees is to keep track of your account balance by entering all checks, debit card purchases and ATM withdrawals in your check register, reconcile your check book regularly and manage your finances responsibly. Acadia Federal Credit Union offers traditional overdraft protection programs that may be less expensive depending on your specific financial situation and needs. This chart may be used as a general cost guide. If you are unsure which is right for you, please ask one of our Member Service Representatives to explain these options.

Ways to cover overdrafts at Acadia Federal Credit Union	Example of Associated Fees*
Good account management	\$0
Auto-Transfer from savings	\$0
Overdraft Line of Credit	13.90% APR*
Courtesy Pay	paid item OD fee of \$20 per item

* These costs are provided only as examples. Please ask us about our specific products and fees.

What if I do not want to have Courtesy Pay on my checking account?

The service is only available upon your request. Should you at any time change your mind and chose to have either the Extended Courtesy Pay Coverage or the full Extended Courtesy Pay Coverage **and** Basic Courtesy Pay Service removed from your account, please call 1.855.MY.ACADIA (1.855.692.2234).

