

**Effective April 1, 2023**

## What happens when your account has insufficient funds?

Every now and then, members may make mistakes in balancing their checking account. They may add or subtract wrong, or not accurately account for their checks, ATM withdrawals, debit card transactions, electronic payments, or other withdrawals. In fact, only 13% of Americans balance their checkbooks regularly. However, members are responsible for making sure that available funds are in their checking account at the time checks or debits are presented for payment.

At Kirtland Credit Union, we want you to know your options if an overdraft should occur on your account. When a check or other debit is presented for payment and there are insufficient funds in the account, an overdraft occurs. When an overdraft occurs, KCU must do one of four things:

- Return the item (NSF) back to the payee (\$30 NSF fee per returned item)
- Transfer funds from another account to cover the overdraft (Overdraft Protection)
- Extend a loan from a personal line of credit to cover the overdraft (Overdraft Protection)
- Pay items through *Courtesy Pay* (\$15 *Courtesy Pay* fee per item)

## Overdraft Protection

If a check, electronic debit, or debit card transaction is presented for payment and funds are not available in your account, your Overdraft Protection will automatically transfer funds into the Checking Account (per the chart below if you have set up this service) and your checks and other debits will be paid. This is a convenient way to make sure your items are paid!

Overdraft Protection can be set up with one of our representatives. Feel free to stop by one of our branches or give us a call at (505) 254-4369. Overdraft Protection is available from any of your share accounts or personal lines-of-credit\* within the same membership. Transfers are made as follows:

Transfer	Amount
Transfers from Main Share (savings)	Amount of overdraft
Transfers from IMMA	Amount of overdraft
Transfers from other Checking Accounts	Amount of overdraft
Transfers from Personal Lines-of-Credit*	\$100 increments
<i>*Lines-of-Credit require review of credit worthiness and approval; equal opportunity lender; see lending representative for details.</i>	

## Courtesy Pay

Courtesy Pay is an optional service that adds a measure of protection to your checking account by covering your insufficient funds checks or electronic (ACH) items, up to an established limit, for one low fee per covered transaction. This service will save you the embarrassment caused by an inadvertent overdraft, and it may also help to protect your credit rating.

## How does Courtesy Pay work?

If you have a checking account open for 90 days, overdrafts may be paid using *Courtesy Pay* funds, to a maximum of \$250, for Checks and ACH (Automated Clearing House) items only.

For transactions of \$20+, a \$15 fee may be assessed for each item paid using *Courtesy Pay* funds. You will then need to bring the account positive, either by a direct deposit, transfer deposit of funds, or a deposit at one of our branch offices.

***Courtesy Pay benefits do not apply to the following transactions:***

- VISA Check Card (debit card)
- ATM Card
- Through in-person Teller services

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## An Example of How *Courtesy Pay* Works:

Susie's checking account balance is \$35.00. She selects items at the grocery store totaling \$80.00. When Susie writes a check, *Courtesy Pay* will cover the transaction:

Balance before purchase:	\$35.00
Minus grocery purchase:	- \$80.00
Minus <i>Courtesy Pay</i> fee:	- \$15.00
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New Balance:	- \$60.00

Although Susie now needs to make a deposit of at least \$60.00, she appreciates being saved the expense of additional returned check fees from the grocery store, plus the embarrassment and inconvenience of going home without her purchase.

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This non-contractual courtesy of paying overdrafts requires no account holder action. No additional agreements need to be signed, and it costs nothing unless the privilege is used by initiating checks or ACH (Automated Clearing House) transactions which result in an overdraft.

Although you are not charged for using *Courtesy Pay* unless you have an overdraft, you may opt-out of *Courtesy Pay* at any time. If you do not want us to pay your overdrafts, please contact us to tell us you wish to "opt-out."

It is best to make sure you always keep a positive balance in your account. But if an accident does occur, you should know your options in advance. We would be happy to talk with you about Overdraft Protection and *Courtesy Pay*! Feel free to stop by one of our branches or give us a call at (505) 254-4369.

In these busy times, KCU wants to ensure your checking account, and all our financial products, serve you and your lifestyle.

*Disclaimer: Courtesy Pay is a non-contractual courtesy the member/account must qualify to use and is discretionary. It is not an obligation of the credit union, and the credit union may refuse to provide the courtesy on any checking account, at any time. The account holder does not have a contractual right to Courtesy Pay. Courtesy Pay may not cover items if the account does not qualify at the time of debit/item presentment – contact a Representative for details.*