



Courtesy Pay Letter

Class Act Federal Credit Union is committed to offering services that provide convenience and value to our members. Courtesy Pay is one of those valuable services, and it will be available for your checking account on August 1, 2017. Courtesy Pay provides a number of important benefits, such as:

- **Courtesy Pay may reduce or eliminate bounced checks and returned check charges from merchants**
- **Courtesy Pay is simple and convenient**
- **You can access your Overdraft Privilege for all checks written, ATM withdrawals, Debit card/POS transactions and ACH Preauthorized transactions**
- **You do not need to do anything to activate this service**
- **If you don't use it, it won't cost you anything**

The eligibility requirements for maintaining the Courtesy Pay are listed in the enclosed Courtesy Pay Disclosure. Please take a minute and read through it. With the Courtesy Pay, we will generally pay your overdraft items up to \$500. Whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts. You will be charged our normal overdraft or return item fee of \$33.00 for each item that is presented, and you must bring your account to a positive balance within 30 days. If you have any questions, just call us at 502.964.7575. In the event you would not like to have this valuable service on your account, simply contact us and we will provide you with an opt-out form to complete and return to us.

We appreciate your business and the Courtesy Pay is just another way we can say "thank you" for being a member with Class Act Federal Credit Union.

Enclosure: Courtesy Pay Account Disclosure

Sincerely,

Courtesy Pay Department
3620 Fern Valley Road
Louisville, KY 40219
(P) 502.964.7575

Class Act Federal Credit Union: Courtesy Pay Disclosure

It is important for you to use your checking account responsibly and to never intentionally overdraw your account. However, we realize that financial shortfalls happen from time to time and we have three options available for you. As a benefit to our members, we offer these useful services to cover you in the event that you overdraw your checking account.

Overdraft Protection Options:

Transfer from another account - If you have other accounts with us, you can authorize us in advance to transfer the funds needed to cover your overdraft. There is a charge of \$3 for each transfer, and you are limited to 6 transfers per statement cycle. Please contact our New Accounts Department for details.

Line of Credit - A line of credit is available to cover overdrafts. This service requires you to complete an application and approval is based on your credit worthiness. Contact the Loan Department for applicable terms and conditions.

Courtesy Pay - Courtesy Pay is a service we add to your checking account to cover overdrafts to a set limit, subject to the eligibility criteria as explained below. With Courtesy Pay we will generally pay your overdraft items up to \$500, however, whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts. When we pay overdraft items for you, you will be charged our normal overdraft fee, currently \$33, for each item that is presented. Both the amount of

the overdraft transactions and all applicable fees including but not limited to the overdraft fees, are included in this limit. We will charge our overdraft or NSF fee for each overdraft transaction presented whether we pay it into overdraft or return it. All deposits to overdrawn accounts are applied to the negative balance.

Eligibility- No application is required for the Courtesy Pay; eligibility is at the sole discretion of the Credit Union and is based on you managing your checking account in a responsible manner. Your Courtesy Pay may be suspended or permanently removed based on the following criteria:

You do not bring your account to a positive balance for at least one full business day within a 30 day period. You have an account that has been opened less than 60 days.

Your account type is not eligible.

You are more than 30 days past due on any Credit Union loan or delinquent on any other obligation to the Credit Union. You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding.

You have an outstanding balance on an Overdraft Repayment Plan. Your account is being reviewed for fraudulent activity or transactions. The primary account owner is less than 18 years old.

A Chex Systems or any other negative indicator has been reported to us. Your account is classified as inactive.

You have an unresolved prior loss with the Credit Union. We do not have a valid address for you.

We believe you are not managing your account in a responsible manner which may harm you or us.

Transactions Covered by Courtesy Pay - Courtesy Pay will be available for all checks written, ATM withdrawals, Debit Card/POS transactions and ACH preauthorized transactions. NOTE: Please verify your balance before initiating an ATM cash withdrawal. All overdrafts will be subject to our \$33 overdraft fee for each withdrawal until the account returns to a positive balance. You must bring your account back to a positive balance for at least one full business day in a 30 day period.

Payment Order of Items - The order in which items are presented may affect the total fees assessed to your account. The first items that we pay are ATM withdrawals, debit card transactions, and any checks cashed by our employees or that you have written to us. We then pay any items that were submitted electronically, such as ACH items, preauthorized automatic transfers, telephone-initiated transfers and any other electronic transfers. Finally, we pay the remaining items based on the order received. NOTE: Please be aware that holds placed on your account for pending electronic transactions, such as hotel or rental car deposits, reduce your available balance and may cause your account to become overdrawn.

Account Agreement - Your account agreement describes the duties, obligations, and rights of depositors, authorized signatories and the Credit Union with regards to your deposit accounts. That account agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. Your account agreement and this disclosure shall be construed so as to minimize conflicts between them.

Waiver: The Credit Union's forbearance from, or delay in, exercising any of the Credit Union's rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this Courtesy Pay disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Credit Union's rights, remedies or privileges.

Remedy: You and the Credit Union agree that the exclusive remedy and forum for all disputes arising out of the Courtesy Pay or your or Credit Union's performance thereunder, except for matters you or Credit Union take to Kentucky small claims court, is arbitration by an independent arbitrator pursuant to the applicable rules of the American Arbitration Association, except as prohibited by law.

Opt Out - You may opt out of Courtesy Pay by contacting a Credit Union representative for an Opt Out form. Opt Out forms must be signed and returned to the Credit Union. Members who receive a Social Security, federal direct deposit, or other entitlement benefit must opt out if they do not want the Credit Union to apply those funds to pay an overdraft.

If you opt out of Courtesy Pay, you are instructing us to return unpaid any items presented against insufficient funds, including electronic items. We will not allow overdraft access through any electronic channels, including ATM or debit card/POS transactions. Even though you have opted out, you will still be charged our \$33 NSF fee for each item returned.

Effective Date- All information listed in this disclosure is effective as of July 1, 2009.