



Discretionary Courtesy Pay Disclosure

It is the policy of **Big Island Federal Credit Union (BIFCU)** to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Member Service Agreement provided to you at the time you opened your account with us controls the duties, obligations and rights of each member, account holder and authorized signatory and **BIFCU** with regard to your share draft account. The Member Service Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Courtesy Pay Disclosure and the Member Service Agreement. A copy of the Member Service Agreement is available to you upon request.

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 Courtesy Pay fee. **BIFCU** is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by **BIFCU** for an overdraft check (or item, such as debit card purchases) does not obligate **BIFCU** 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 **BIFCU's** commitment to always provide you with the best level of service, now and in the future, if your account has been open for at least one hundred eighty (180) days and thereafter maintained in good standing, which includes at least:

- A) Bringing your account to a positive balance within every thirty (30) day period for a minimum period of 1 business day;
- B) Not being in default on any loan or other obligation to **BIFCU**; and
- C) Not being subject to any legal or administrative order or levy.

BIFCU will have the discretion to pay overdrafts within the Courtesy Pay limits, but payment by **BIFCU** is a discretionary courtesy and not a right of the member or an obligation of **BIFCU**. This privilege for eligible consumer share draft accounts will generally be limited to a maximum of \$500. This privilege for eligible business and money market share draft accounts will generally be limited to a maximum of \$1000 overdraft (negative) balances. Of course, any and all fees and charges, including without limitation the Courtesy Pay fees (as set forth in our Fee Schedule), 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 limit 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 Courtesy Pay fees is due and payable upon demand, and each member, account holder and/or authorized signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Member Service Agreement. Our standard Courtesy Pay fee will be imposed for overdrafts created by checks, ACH, everyday debit card transactions, 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 **BIFCU** will have the discretion to pay overdrafts on accounts in good standing (as described above), any such payment is discretionary courtesy, and not a right of the member or an obligation of **BIFCU** and **BIFCU** in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause. If you do not maintain your account in good standing, the Courtesy Pay limit may be removed.

For our consumer member, **BIFCU** will not pay overdrafts for everyday debit transactions unless you have opted in to the payment of these overdrafts. In order to avoid overdrafts due to everyday debit card transactions, **BIFCU** will place a hold on your account for any everyday debit card transaction authorized until the transaction settles. 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 everyday debit card transactions will be removed prior to settlement where required by applicable payment network rules.

Members may discontinue having Courtesy Pay cover future transactions at any time by contacting one of our Member Service Representatives.