

Overdraft Protection and Courtesy Pay Disclosure

An overdraft occurs when there is not a sufficient available balance in your checking account to cover a transaction. Nymeo Federal Credit Union (Nymeo or we or us) has three different options available to pay an overdraft in a checking account, these are: an **Overdraft Savings Transfer**, an **Overdraft Line of Credit**, and our **Courtesy Pay Programs – Courtesy Pay and Courtesy Pay Plus**. You can have all three of these options on your account at the same time to pay an overdraft. To learn more about the features of these three programs, see the details below in this disclosure or feel free to ask us questions.

Overdraft Savings Transfer is a no cost option that you can request to be linked to your Nymeo checking account. If you elect to sign up for this no cost service, and your checking account does not have a sufficient available balance to cover a check, ACH, Debit Card/Point of Sale (POS) transaction or ATM transaction, we will first attempt to pay the overdraft at no charge through this Overdraft Savings Transfer from an eligible linked savings account, provided it has sufficient funds available to transfer to your checking account. If you have elected this service, we will attempt to pay overdrafts through this method before using other programs such as an Overdraft Line of Credit or our Courtesy Pay Programs. Overdraft Savings Transfers are a subject to a transfer/withdrawal limit of six per month. This transfer/withdrawal limit includes transfers by Nymeo to cover overdrafts, your pre-authorized transfer requests and your requests for transfers and withdrawals by telephone (including those through our NATE system (Nymeo Automated Telephone Expert), My Nymeo Online Banking, the Nymeo Mobile App, or by fax (see our other disclosures for more information about linked savings accounts and account transaction limits).

Overdraft Line of Credit (ODLOC) is an optional lending program that is tied to your Nymeo checking account. This requires credit approval. It may be a less expensive option than our fee-based Courtesy Pay Programs. If you do not have a sufficient available balance in your checking account, the ODLOC loan product will cover a check, ACH, Debit Card/POS transaction or ATM transaction from an available line of credit. All members who have a checking account may apply to see if they qualify for this line of credit product. The interest rate is variable and subject to change from time to time. There is no annual fee or per-usage charge for ODLOC transactions.

Courtesy Pay Programs are optional overdraft protection programs that we refer to as Courtesy Pay and Courtesy Pay Plus. When you do not have a sufficient available balance in your checking account to cover an item presented for withdrawal, under Courtesy Pay we may pay checks and Automated Clearing House (ACH) transactions. Our Courtesy Pay program comes standard with every checking account. If you want to not have this standard overdraft protection plan, you can sign the Courtesy Pay Opt-Out form and you will no longer have this protection. You can also enroll in our Courtesy Pay Plus that offers similar overdraft protection to pay Debit Card/POS and ATM transactions.

Courtesy Pay Program Qualifications In order to qualify for these Courtesy Pay Programs you must be at least 18 years of age, have no delinquencies or payment plans on any Nymeo accounts or legal actions pending against your Nymeo accounts, and not have a flag for a bad address or dormant account. You may only have one account with Courtesy Pay where you are the primary member on the account. Members qualify for different Courtesy Pay limits based on the tenure of their checking account with Nymeo. Accounts open from 1 to 29 day are able to take their account to a balance of negative \$100, accounts open from 30-59 days are able to take the account to a balance of negative \$500, and accounts 60 days or older have a negative limit of \$1,060.

Enrollment in the Nymeo Programs

Members may have a combination of all three of these programs on an account at the same time. For example, if you have requested Overdraft Savings Transfer from your eligible Nymeo account we will first attempt to pay an overdraft with this method. If sufficient funds are not available in your eligible Nymeo account and if you have elected to have an ODLOC linked to your checking account, we will next attempt to pay the overdraft with a transfer from your ODLOC. If there are not sufficient funds to pay with your savings accounts and/or ODLOC, and if you have enrolled in Courtesy Pay and/or Courtesy Pay Plus, we will attempt to pay the overdraft through one of these Courtesy Pay Programs.

Courtesy Pay Programs Enrollment

If you want to authorize us to pay overdrafts under our Courtesy Pay Programs – Courtesy Pay and Courtesy Pay Plus, review this disclosure and the forms attached hereto called Courtesy Pay ACH/Checking Opt-In/Out and Courtesy Pay Plus ATM and Visa Opt In/Out.

Standard Courtesy Pay Programs Practices and Fees

1. We will charge a fee of \$29 each time we pay an overdraft through our Courtesy Pay Programs. We will limit the number of Courtesy Pay fees that we charge to three (3) per day for each account enrolled in a Courtesy Pay Program.
2. Courtesy Pay and Courtesy Pay Plus are limited programs and only available up to the amount of \$1,060.00, this is the Courtesy Pay Limit, and it includes fees that can be charged to your account. Your account may become overdrawn in excess of the Courtesy Pay Limit due to other fees that can be charged related to transactions that result in overdrawing your account such as returned deposits and other fees described in our Fee Schedule.
3. Enrolling in Courtesy Pay does not guarantee that we will pay overdrafts. Nymeo pays overdrafts at our discretion. If we do not pay an overdraft, your transaction will be declined and/or your check or ACH withdrawal will be returned unpaid.

Transaction Processing and Overdraft Policies through Courtesy Pay Programs

If we do not cover your overdraft through Overdraft Savings Transfers or an ODLOC, we may cover your overdraft through our Courtesy Pay Programs as long as you are enrolled in the programs and have an available limit. To determine whether a transaction may cause an overdraft, it is important to understand that your checking account has two kinds of balances: the "Available Balance" and the "Current Balance." Available Balance indicates the amount of funds available for withdrawal or use at that moment. The Available Balance is equal to your Current balance minus any pending transactions, such as pending/unposted debit card transactions, holds on recent deposits, or other holds placed by the credit union for extraordinary circumstances.

Current Balance is calculated in real time as transactions are posted to your account. For electronic, Automated Clearing House ("ACH") transactions that are processed in batch, we first process or post all money coming into your account, including credits and deposits. These credits and deposits are subject to holds placed on certain transactions; see our Funds Availability Policy for more details. Any electronic batch debits, such as scheduled Bill Pay payments, scheduled transfers to other financial institutions, or debits originated by merchants, are then processed.

Assessment of overdraft fees is determined based on the account's Available Balance at the time of the transaction and not based on the Available Balance at the time a transaction is authorized. If the Available Balance is greater than or equal to the actual amount of the transaction, a Courtesy Pay will not be charged. If the Available Balance is less than the actual amount of the transaction, a Courtesy Pay fee will be charged.

When you use your Nymeo Debit Card to make a purchase, the transaction is authorized based on your Available Balance plus any overdraft protection options (Overdraft Savings Transfer, ODLOC or Courtesy Pay Programs) you are enrolled in at the time of the purchase. Once a transaction is authorized, a temporary hold is placed on your account for the authorized amount of the purchase; you will see this hold reflected in your Available Balance. This hold does not affect or otherwise adjust your Current Balance. This hold is removed when the transaction posts to your account or after 3 business days, whichever comes first. Although the hold may be removed after 3 business days, the merchant has up to 180 calendar days to present the transaction for posting. In some cases, the hold may be different than the actual amount of the transaction (for example, some purchases made at gas stations, restaurants, or hotels, or for car rentals). Funds subject to a hold are not necessarily the same funds that are ultimately used to pay for a transaction. When the hold is removed, the funds will be added to the Available Balance in your account. If your account is overdrawn after the held funds are returned to the Available Balance and the transaction posts, a Courtesy Pay fee may be assessed. Please note, however, that even though a transaction has been authorized, it still might result in an overdraft if you initiate other transactions that are posted/processed before it. So, do not consider a transaction authorization as a guarantee there will be sufficient funds in your account to cover the transaction when it posts. See Nymeo Federal Credit Union Debit Card Disclosure for more information.

Ordinarily, we will not authorize debit card transactions unless you have sufficient available funds in your checking account and an available limit to your Courtesy Pay. However, we may pay some debit card transactions when you do not have sufficient available funds even if you did not opt into Courtesy Pay Plus for debit card transactions, if we had authorized the transaction in advance, or had placed a hold that differs from a transaction amount, as described in the previous paragraph. Therefore, opting into Courtesy Pay Plus for debit card transactions may result in your incurring Courtesy Pay fees for some transactions that we would otherwise pay without assessing a fee.

You may be charged Courtesy Pay fees for certain periodic payments to merchants that you have authorized on an ongoing basis, such as television service or utility company charges, even if you did not opt into the Courtesy Pay Plus Program but have Courtesy Pay. For example, you authorize a merchant to charge your account \$70 every month in January when your balance is \$100. If your balance in February is \$5 when the merchant posts the charge to your debit card, you would incur a Courtesy Pay fee and your balance would be negative; however, your bill to the merchant would be paid for the month.

Here are some other examples of how we would handle transactions on your account:

- Your Available Balance is \$25 and your bill at a restaurant is \$25. If you pay for your bill with your debit card and leave a tip of \$5 for the server, you would be charged a Courtesy Pay, even though the hold on your account would have only been for \$25.
- On Monday, you schedule a Bill Pay payment of \$100 to be sent from your account on Thursday. You make several transactions on Monday through Wednesday, but on Thursday morning when the payment is posted, your available balance is only \$50. This situation would incur a Courtesy Pay fee.
- You start the day with an available balance of \$150, but you make a debit card transaction for \$100 in the morning, which places a hold and reduces your Available Balance to \$50. Around noon, you make a withdrawal at the ATM for \$60, reducing your Available Balance to -\$10 and incurring a Courtesy Pay fee, which will appear as "Held Funds Paid Fee." In the afternoon, the merchant posts the \$100 charge from the morning. At the time the merchant charges the fee, the hold is released, increasing the Available Balance to \$90; however, because the \$100 charge is greater than the Available Balance of \$90, the Available Balance is taken negative again and a Courtesy Pay fee is incurred. In this example, two Courtesy Pay fees would be charged.
- Your Available Balance is \$10 and you make a debit card purchase for \$50, but the merchant does not post the transaction immediately. In the meantime and on the same day as the purchase, you recognize that you do not have enough money in your account to cover the charge and deposit \$40 in cash at a Nymeo teller window. The merchant posts the transaction the next day. You would not be charged a Courtesy Pay fee in this example, even though your transaction was authorized using your Courtesy Pay limit.

If your checking account goes into an overdrawn status (including Courtesy Pay fees) and funds are available in the linked savings account, we will attempt to transfer all or some of the funds from the savings account to the overdrawn checking account to reduce or eliminate the overdrawn amount.

Tips to Control Costs for the Courtesy Pay Programs

1. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts.
2. Careful and disciplined account management is the best way to avoid overdrafts.
3. Electronic banking services such as My Nymeo Online Banking at **nymeo.org** and using our app on your mobile device can help you keep track of your account balances.
4. If you ever have a doubt about the money available in your account, you can call us at 855-436-4100 or 240-436-4000 to discuss your Available Balance.

Restrictions on Courtesy Pay Program Privileges

We can revoke your Courtesy Pay Program privileges if you default on a Nymeo obligation, your account becomes subject to legal actions or if your account fails to remain in good standing. Courtesy Pay is not a loan or a line of credit and the balance advanced to you must be repaid promptly. Should the account remain overdrawn beyond 30 days of the initial transaction posting, Courtesy Pay privileges will be revoked temporarily and the service frozen. For example, if you overdraft \$100 on the first of the month and \$200 on the 20th, then a total of \$300 is due on or before the 30th day. The account must have a positive balance for a minimum of 1 day to allow the deposited funds to clear and reset the 30-day repayment cycle. Should the account remain overdrawn beyond 45 days, Courtesy Pay privileges will be revoked. The failure to deposit funds to bring the account to a positive balance may result in the overdrawn balance being charged off as a loss to Nymeo. Such action could result in the checking account being closed and restriction of your membership privileges. All joint owners or signers on an account remain responsible to Nymeo for the negative balance in an overdrawn account.

These are not the only circumstances under which Courtesy Pay may be terminated, and Nymeo reserves the right to revoke Courtesy Pay Program privileges, permanently or temporarily, at any time and to deny the payment of any transactions without prior notification at our discretion.

Canceling Your Enrollment in Courtesy Pay Programs

You have the right to revoke your consent by opting out of our Courtesy Pay Programs at any time through **nymeo.org** or by phone, toll-free at 1-855-436-4100 or at 240-436-4000. If you prefer, you may also opt out at any branch location, by faxing requests to 301-698-4194 or by mailing the requests to: 5210 Chairmans Court, Frederick MD 21703.