

COURTESY PAY POLICY AND DISCLOSURE

Henrico Federal Credit Union recognizes that a non-sufficient funds situation may occur on member's accounts from time to time. To address member needs in these situations, the credit union offers a paid overdraft program, known as Courtesy Pay.

Non-sufficient balances may result from:

1. the payment of checks, electronic funds transfers, or other withdrawal requests;
2. payments authorized by the member;
3. the return of unpaid items deposited by the member;
4. the imposition of applicable service fees; or
5. the deposit of items, which according to the credit union's Funds Availability Policy, are treated as not yet "available" or finally paid.

The credit union is not obligated to pay any item presented for payment if the account does not contain sufficient collected funds. However, we may, at the credit union's sole discretion, pay reasonable overdrafts as a non-contractual courtesy. This discretionary courtesy, including applicable service fees, will generally be limited to a \$250 overdraft balance for all eligible checking accounts, or a \$500 overdraft balance for all eligible checking accounts with Direct Deposit.

Courtesy Pay is extended to all members 18 or older with checking accounts (S8, S9 or S10 accounts only) in good standing that have been open for at least ninety (90) days. Members in good standing are defined as those who:

1. continue to make deposits consistent with their past practices, and deposit at least \$500 or more in their checking account within each thirty (30) day period;
2. are not in default on any credit union loan;
3. bring their checking account to a positive balance at least once every thirty (30) days; and
4. are not the subject of any legal or administrative order or levy.

Even though the credit union may have previously paid the items, the credit union may refuse to pay an overdraft at any time. The credit union has no obligation to notify accountholders before paying or returning an item. The amounts of any overdraft plus the non-sufficient funds and/or overdraft charge(s) are due and payable upon demand.

If the credit union pays an overdraft on an account with more than one owner on the signature card, each owner (or agent of owner) is jointly and severally liable for payment of the overdraft amount plus any Courtesy Pay fees. Primary and/or joint owners may request and/or remove their accounts from the Courtesy Pay program at any time.

The credit union encourages members to take advantage of other overdraft options including automatic share transfer and overdraft line-of-credit as these options are less expensive. The Courtesy Pay program is intended to be a last resort. Members are encouraged to contact any staff member for more details on these other overdraft options.

ACCOUNT FEES –

Whether the credit union pays or returns non-sufficient funds items, a per-item fee will be charged to the member's account as a non-sufficient funds or Courtesy Pay charge, as set for in the credit union's fee schedule.

COURTESY PAY DISCLAIMER –

The credit union's Courtesy Pay plan is a discretionary non-contractual courtesy and is subject to change. 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 accountholder does not have a contractual right to Courtesy Pay and courtesy payment is not guaranteed by the Courtesy Pay plan. The credit union has the right to limit participation to one account per household.