



EXPLANATION OF COURTESY PAY

Overdrafts Definition and Coverage

An overdraft occurs when the funds in your checking account are not sufficient to pay all the transactions on the account. Transactions include debit, checks, ACH, and other items that post to your checking account such as automatic bill payments. Our determination of an insufficient balance is based on the available balance method. Transaction holds from items such as debit card purchases not yet posted to account, check deposits with a hold on the funds and other transactions can affect the available balance in your checking account. We will check the balance once, at our discretion, between time of presentation and the time we post transactions. We are not required to notify you if your account available balance is not sufficient to cover items such as checks, fees, or other items that post to your account. Whether an item presented is paid or not, you may be subject to fees in accordance with our current Fee Schedule.

Types of Overdraft Options

We offer other ways of covering your overdrafts that may be less expensive than Courtesy Pay:

- Transfer from savings to checking or between accounts (limitations may apply)
- Transfer from your line of credit loan to your checking

Consult with our current Fees Schedule to compare your options.

Courtesy Pay

If we have approved you for Courtesy Pay, at our discretion, we may agree to honor a check, transfer or other transaction, which creates an overdraft; however, the honoring of one or more items does not guarantee the honoring of future overdrafts that may occur. We may discontinue paying overdrafts without notice. You agree to promptly deposit funds to cover the overdraft and any service fees upon notice of the overdraft, and to reimburse us for any costs we incur in collecting the overdraft from you, including without limitation: attorney fees, costs of litigation, and other costs to the extent allowable by law.

We will not pay your overdrafts for ATM withdrawals and every day debit card purchases you make at a store, online, or by telephone, unless you tell us you want Courtesy Pay for these transactions.

Transactions on your checking account are posted in the order received. Debit card transactions may post immediately, or cause a hold on the available funds if not posted immediately. The type of debit card transaction and the merchant, not Heartland Federal Credit Union, decides this.

Conditions for qualifying and maintaining overdraft coverage:

- Must be eighteen (18) years old to qualify
- Account must be opened for at least 60 days
- ACH deposits in to checking account of at least \$400 in the last 30 days
- You cannot have more than 5 NSF (non-sufficient fund) items
- Your account cannot be continuously overdrawn for 31 days
- You cannot be more than 1 day past due on any Heartland credit card, or delinquent on any other obligation to Heartland
- Your account is not a business, organization, trust, IOTA or escrow account
- You are not subject to any legal or administrative orders, levy, or currently a party to bankruptcy
- Your account is not classified as "Dormant"

revised: 8/1/18