

Louisiana Federal Credit Union, a division of OnPath Federal Credit Union

Courtesy Pay Service Disclosure

General Statement:

Courtesy Pay is a discretionary overdraft service offered by Louisiana Federal Credit Union, a division of OnPath Federal Credit Union.

Louisiana Federal Credit Union, a division of OnPath Federal Credit Union may, at its discretion, honor a member's transaction that overdraws the member's checking account (also referred to as a share draft) by using the credit union's Courtesy Pay service. When Courtesy Pay is utilized, the credit union charges a Courtesy Pay Fee of \$32 per paid transaction that would have otherwise been declined without incurring a fee or returned due to non-sufficient funds and incurred an NSF Fee of \$32.

Courtesy Pay allows an eligible checking account to be overdrawn up to the account's disclosed Courtesy Pay limit to pay transactions or items as a courtesy service for members who are in good standing. The member is expected to bring the account back to a positive balance with one or more deposits into the account within 35 days. Overdrafts are paid at the discretion of the credit union. Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, is under no obligation to pay an overdraft, and payment of overdrafts is not guaranteed.

Overdraft Protection vs. Courtesy Pay:

Courtesy Pay is different than Overdraft Protection. Overdraft Protection can be a preferred and less expensive option than Courtesy Pay. Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, allows members the option to cover overdrafts by an automatic transfer from a savings (share) account, a line of credit (LOC), or a money market account. Funds will need to be available in the account or LOC that is setup for overdraft protection to cover the transfer. Transfer of funds from the account or LOC are done automatically by our system. The checking account is charged an overdraft protection transfer fee of \$3 for each transfer.

Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, will first use Overdraft Protection to pay overdrafts if setup by the member, and Courtesy Pay resides as a secondary or backup service behind that protection. If Overdraft Protection is not setup by the member on the checking account, Courtesy Pay will become the primary method of paying overdrafts if the account is eligible and the member is in good standing.

Eligibility for Courtesy Pay:

Courtesy Pay is offered on the eligible consumer and business checking accounts of members who are in good standing. The Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, checking accounts are eligible for Courtesy Pay when they are open and active unless a feature, ownership, account type, or status deems the account ineligible. Some examples of ineligible accounts are below:

- A minor account (owner is under 18 years of age)

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- A trust account
- A dormant or inactive account
- A restricted account (due to a court order or fraud for examples)
- A new account that has a probationary period of review
- An account type that prohibits or restricts overdrafts

For an account to be considered open and eligible, an opening deposit of \$25 must be posted to the account. For a member to be in good standing for Courtesy Pay, a member must:

- Not have a delinquent loan greater than 30 days, an unpaid charge-off, or in collections with Louisiana Federal Credit Union, a division of OnPath Federal Credit Union,
- Not have defaulted on any obligation to Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, which is unresolved
- Not be subject to any legal or administrative order or levy
- Not be in bankruptcy proceedings

An account could become ineligible or a member can cease to be in good standing for the service at any time causing the Courtesy Pay limit to be reduced or revoked.

Courtesy Pay is completely a discretionary service offered by Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, at its sole discretion. Courtesy Pay is not an agreement, contract, or obligation with Louisiana Federal Credit Union, a division of OnPath Federal Credit Union. Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, is not obliged to pay negative items for eligible members in good standing with Courtesy Pay, and transactions are paid at the sole discretion of Louisiana Federal Credit Union, a division of OnPath Federal Credit Union. The Courtesy Pay limit can be reduced or revoked at any time without prior notice or disclosure.

Courtesy Pay Limits:

The Courtesy Pay limit is the maximum negative dollar amount allowed that Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, sets for each eligible account with Courtesy Pay. Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, discloses this limit to the member or members on the account for transparency regarding the service. Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, at its discretion, may pay items up to the negative balance limit on accounts also referred to as the Courtesy Pay limit. All associated fees charged by the credit union will be included in the limit amount.

Limits will be determined based on account type, age of account, and deposit history. Items or transactions presented that would exceed the Courtesy Pay limit including all associated fees, will be declined or returned as insufficient funds (NSF).

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Accounts that have been overdrawn for 35 consecutive days without ending one business day with a positive balance will have their Courtesy Pay limits temporarily reduced to \$50 to reduce or halt additional spending and withdrawals until the account has been brought back to a positive status and closes one business day with a positive status. Reducing the Courtesy Pay limit will not reduce the negative amount owed on the account, but it will limit the authorization or approval of further spending on the account by the credit union.

Cost and Fees:

Courtesy Pay is a service provided for a fee per transaction. The current Courtesy Pay Fee is \$32 per transaction.

Items or transactions presented that would exceed the Courtesy Pay limit including all associated fees, will be declined or returned as insufficient funds (NSF). In that scenario, one-time debit card purchases and ATM transactions will be declined without a fee. An NSF Fee of \$32 will be charged per returned item, such as a check or ACH, each time it is presented for payment and returned. There is no maximum or cap to the number of Courtesy Pay Fees or NSF Fees a member can receive each business day.

Members who receive federal funds may contact Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, if they do not want their negative courtesy pay balance and fees to be deducted from their federal deposit by calling (985) 652-4990 / (888) 652-4990.

Types of Transactions:

The Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, Courtesy Pay service covers the following items:

- Checks
- ACHs
- Automatic Debits
- Online Bill Payments
- Counter withdrawals
- Recurring Debit Card purchases

Members do not have to opt-in to Courtesy Pay to cover the listed transactions above. Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, proactively offers coverage for the items listed above for members in good standing with eligible checking accounts. Members may opt-out of Courtesy Pay from covering the above items by contacting Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, at a branch location or by calling (985) 652-4990 / (888) 652-4990.

Members who have opted out of Courtesy Pay completely for all transactions will still incur NSF fees on items returned by Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, when there are not available funds to cover them. Louisiana Federal Credit Union, a division of OnPath Federal

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Credit Union offers a checking account, Forward Checking, that does not have Courtesy Pay and does not charge NSF fees when items are returned. That account might be better suited for the member who wishes to opt out of Courtesy Pay completely.

On eligible consumer accounts, members also have the option to affirmatively opt-in for Courtesy Pay to cover their everyday debit card and ATM transactions. These items include:

- One-time debit card transactions
- ATM transactions
- ITM transactions

Members will receive a confirmation after opting in for one-time debit card and ATM transactions. This confirmation will be separate from other communications. The confirmation will be provided in writing in person, via mail, or electronically if the member has elected for electronic communications and has demonstrated the ability to access disclosures electronically in compliance with the E-sign Act. The confirmation will inform the member of the right to revoke the opt-in decision and provide an option to do so by calling (985) 652-4990 / (888) 652-4990 or by visiting a branch.

The opt-in or opt-out decision for one-time debit card and ATM transactions is necessary for each checking account that a member has with Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, as each opt-in or opt-out decision is made for that specific checking account and not for all the member's accounts. Members can have some accounts opted in and some opted out for everyday debit card and ATM transactions. The opt-in or opt-out decision can be changed if a member on the account contacts Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, by calling (985) 652-4990 / (888) 652-4990 or by visiting a branch. Accounts without a decision will default to opted out for everyday debit card and ATM transactions. Since the decision is made per account, joint accounts can only have one decision for all owners and authorized signers. The decision honored on joint account will be the one most recently made on the account by any owner or authorized signer.

One-time debit card and ATM transactions on accounts that are opted out will be declined without a fee from Louisiana Federal Credit Union, a division of OnPath Federal Credit Union.

Some debit card transactions will be authorized when sufficient funds are available in the account but settle when funds are no longer available. In those scenarios, the account will be taken negative regardless of opt-in status. Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, will not charge a fee for debit card transactions that overdraw the account but were authorized while sufficient available funds were in the checking account. OnPath's core system automatically monitors for those transactions. If a member is assessed a fee in this scenario, the member can receive a full refund by visiting a branch or calling (985) 652-4990 / (888) 652-4990.

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Understanding Account Balances:

There are two account balances: available and actual (also referred to as ledger). Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, authorizes, pays, declines, or returns transactions using the account's available balance. The available balance is the amount available in the account for immediate withdrawal or spending. Holds can lower an account's available balance.

The ledger or actual balance is an accounting balance and does not reflect holds or pending transactions. The ledger balance is not reflective of what is truly available in the account for immediate spending or withdrawal.

The available balance is the actual balance less: (1) holds placed on deposits, (2) holds on debit card or other transactions that have been authorized but are not yet posted, and (3) any other holds such as holds related to pledges of account funds and minimum balance requirements, or to comply with court orders.

A member could have an actual balance that is more than a transaction amount but have a lower available balance which would not be enough to cover the same transaction causing an overdraft, a declined transaction, or a returned NSF.

The available balance may be lower than the actual balance due to holds or pending transactions. An account's courtesy pay limit will not be included or shown in an account's available balance or actual balance.

Re-presentation of items:

Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, will charge an NSF fee each time an item is presented and returned when sufficient funds are not available to cover the item. Multiple presentations of an item may result in additional NSF fees or Courtesy Pay fees.

Resources:

Please contact Louisiana Federal Credit Union, a division of OnPath Federal Credit Union, with any questions regarding this service or alternatives by calling (985) 652-4990 / (888) 652-4990 or by visiting a branch.