

## Neighbors Credit Union Discretionary Overdraft (Courtesy) Practices Disclosure

It is the policy of Neighbors Credit Union to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Membership and Account Agreement and all attachments and amendments thereto (the "Account Agreement") provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the Authorized Signatories and Neighbors Credit Union with regard to your checking account. The Account Agreement and its terms shall control any possible conflict, if any, between any provision of this Discretionary Courtesy Pay Disclosure (this "Courtesy Pay Disclosure") and the Account Agreement. A copy of the Account Agreement is available to you on request from your credit union.

Neighbors Credit Union offers Discretionary Overdraft Courtesy Pay ("Courtesy Pay") if you make an honest mistake in your checking account or an unusual or unforeseen circumstance arises at just the wrong time. Courtesy Pay is a service for qualified members that adds a measure of protection to your personal checking account. Courtesy Pay will be applicable towards electronic check presentments, debits through the automated clearing house (ACH), bill payment services, and, when you have given the credit union permission, towards ATM and everyday debit card purchases. Therefore, when your checks, ACH, bill payment and debit card items are paid, Courtesy Pay will save you the embarrassment and inconvenience of a returned item as well as the fee normally charged to you by merchants for items returned to them.

Courtesy Pay does not apply to checks presented at a Neighbors Credit Union's teller window.

Pursuant to Neighbors Credit Union's commitment to always provide you with the best level of customer service, now and in the future, you are eligible for Courtesy Pay if your consumer account (primarily used for personal and household purposes) has been open for at least ninety (90) days, you are over 18 years old, and thereafter you maintain your account in good standing, which includes at least:

- A) Making regular deposits consistent with your past practices;
- B) Depositing an amount equal to the amount of discretionary courtesy overdraft extended to you or more in your account within each thirty (30) day period and bringing your account balance to a positive balance within every thirty-five (35) day period;
- C) You are not in default on any loan or other obligation to Neighbors Credit Union;
- D) You are not subject to any legal or administrative order or levy; and
- E) Having a good mailing address.

If at any time you do not meet the above eligibility requirements, you may be removed from the program.

Under Neighbors Credit Union normal business practices, if sufficient funds are unavailable, checks for the least money will be honored first. Neighbors Credit Union will consider, as a discretionary courtesy and not a right or obligation, approving your reasonable overdrafts. This privilege will generally be limited to a maximum of a \$500 overdraft (negative) balance for your checking account. Should you inadvertently overdraw your checking, funds for overdrafts will first come from your Overdraft Protection Plan. An Overdraft Protection Plan must be elected to be eligible for Courtesy Pay. Upon depleting balances available to you under Overdraft Protection Plan, Courtesy Pay will then begin to cover overdrafts. Any and all credit union fees and charges, including without limitation the non-sufficient fund/courtesy pay fee of \$28 per item (as set forth in our fee schedules and Account Agreement), will be included in this limit.

Neighbors Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds, and any discretionary payment (or other negotiation or processing) by Neighbors Credit Union of any non-sufficient fund check or item does not obligate Neighbors Credit Union to pay any additional non-sufficient fund check or item or to provide prior notice of its decision to refuse to pay any additional non-sufficient fund check or item.

The total of the discretionary courtesy overdraft (negative) balance, including any and all credit union fees and charges, including all non-sufficient fund/courtesy pay fee is due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Account Agreement.

Again, approval of payment of reasonable overdrafts by Neighbors Credit Union on consumer accounts in good standing (as described above) is only a discretionary courtesy, and not a right or obligation, is within Neighbors Credit Union's sole and absolute discretion, and can cease at any time without prior notice of reason or cause.

**You have the right to revoke your consent to Courtesy Pay at any time.  
Please contact a member service representative at 314-892-5400 if you do not want this service at any time.**