



## OVERDRAFT COVERAGE OPTIONS: OVERDRAFT PROTECTION AND COURTESY PAY

Life happens! Merrimack Valley Credit Union understands that unexpected overdrafts occur from time to time – Overdraft Coverage can help.

### Overdraft Coverage Options

The choice is yours. Consider these ways to cover overdrafts:

Service	Cost
Overdraft Protection: A link to another deposit account you have at Merrimack Valley Credit Union <sup>1</sup>	<b>\$0 fee per transfer, subject to transaction limitations if it is from a savings or money market account</b>
<b>Courtesy Pay</b>	<b>\$25 Courtesy Pay Fee per check, ACH or recurring debit card transaction; \$20 Courtesy Pay Fee per ATM or everyday debit card item. \$5 Courtesy Pay Fee if account holder is under 19 years of age or 65 years of age or older.</b>

<sup>1</sup>Call us at (800) 356-0067, send us a secure message at <https://www.mvccu.com/contact-form>, or come by a branch to sign up for this service.

**Overdraft Protection** applies to all transactions and may help prevent overdrafts by automatically transferring funds to your share draft account from another account you may have at Merrimack Valley Credit Union.

**Courtesy Pay** allows you to overdraw your account up to the disclosed limit to pay a transaction. You will just incur a Courtesy Pay Fee when an overdraft occurs. Even if you have Overdraft Protection, Courtesy Pay is still available as secondary coverage if the other protection source is exhausted. Please review the **“What Else You Should Know”** section included with this disclosure for other important information.

Transactions Covered with Courtesy Pay	Standard Coverage (No action required)	Extended Coverage (Your consent required on consumer accounts) *	If you would like to select Extended Coverage for future transactions:
Checks	X	X	<ul style="list-style-type: none"> <li>• call us at (800) 356-0067</li> <li>• complete the online consent form found at <a href="http://www.mvccu.com">www.mvccu.com</a></li> <li>• visit any branch</li> <li>• complete a consent form and mail it to us at 500 Merrimack Street, Lawrence, MA 01843</li> <li>• send us a secure message at <a href="https://www.mvccu.com/contact-form">https://www.mvccu.com/contact-form</a></li> </ul>
ACH - Automatic Debits	X	X	
Recurring Debit Card Transactions	X	X	
Online Bill Pay Items	X	X	
Internet Banking Transfers	X	X	
Telephone Banking	X	X	
Teller Window Transactions	X	X	
ATM Transactions		X*	
Everyday Debit Card Transactions		X*	

\*If you choose Extended Coverage on your consumer account, **ATM transactions and everyday debit card transactions** will be included with the transactions listed under Standard Coverage. If you already have Courtesy Pay Extended Coverage, it is not necessary to request it again. Business accounts automatically have Extended Coverage.

You can discontinue Courtesy Pay in its entirety by contacting us at (800) 356-0067, coming by a branch or sending us a secure message at <https://www.mvccu.com/contact-form>.



## What Else You Should Know

- A link to another account may be a less expensive option than an overdraft. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts. Good account management is the best way to avoid overdrafts. Use our mobile banking, Internet banking, and telephone banking services to keep track of your balance. For additional financial education resources, please visit [www.mymoney.gov](http://www.mymoney.gov).
- Courtesy Pay is not a line of credit. However, if you inadvertently overdraw your account, we will have the discretion to pay the overdraft, subject to your Courtesy Pay limit and the amount of the Courtesy Pay or Non-Sufficient Funds Fees. Merrimack Valley Credit Union (hereby known as Merrimack Credit Union or MVCU) is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by MVCU of an overdraft share draft (or items, such as ATM withdrawals) does not obligate MVCU to pay any other overdraft share draft (or item), or to provide prior notice of its decision to refuse to pay such share draft (or item).
- Pursuant to Merrimack Valley Credit Union's commitment to always provide you with the best level of service, each new share draft account will have an initial maximum of \$100 overdraft (negative) balance limit for this discretionary service. In the future, if your consumer account (primarily used for personal and household purposes) has been open for at least thirty (30) days, or if your commercial account has been open for at least thirty (30) days, and thereafter you maintain your account in good standing, which includes at least:
  - A) Bringing your account balance to a positive balance within every thirty (30) day period for a minimum period of 24 hours;
  - B) Not being in default on any loan or other obligation to Merrimack Valley Credit Union and
  - C) Not being subject to any legal or administrative order or levy,this Courtesy Pay limit may be increased. The Courtesy Pay limit for consumer share draft accounts will generally be limited to a maximum of \$750 overdraft (negative) balance. The Courtesy Pay limit for commercial accounts will generally be limited to a maximum of \$750 overdraft (negative) balance. Of course, any and all fees and charges, including without limitation the Courtesy Pay or Non-Sufficient Funds Fees (as set forth in our fee schedules and deposit account agreement and disclosure), will be included as part of this maximum amount. Fees are assessed at the end of the processing day, so it may be possible that your account will become overdrawn in excess of the Courtesy Pay limit amount as a result of the assessment of a fee.
- The total of the discretionary Courtesy Pay (negative) balance, including any and all fees and charges, including all Courtesy Pay or Non-Sufficient Funds Fees, is due and payable upon demand. Depositors and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Terms and Conditions of Your Account and Truth in Savings Disclosures with a maximum repayment period of 30 days. Our standard Non-Sufficient Funds Fee of \$27 is incurred for overdrafts by check, ACH and other recurring debits that are returned and not paid. Our standard Courtesy Pay fee of \$25 will be imposed for overdrafts by checks, ACH items, recurring debit card transactions and other debits that are paid. A \$20 Courtesy Pay Fee will be imposed for overdrafts created by everyday debit card transactions or ATM withdrawals.
- For consumer accounts where the account owner is under 19 years of age or 65 years of age or older, the above-outlined Fee is \$5 for each type of item. This is the same fee amount that is charged if a share draft is returned as unpaid for consumer account holders under 19 and over 65 years of age.
- If multiple items overdraw your account on the same day, each item will be assessed an appropriate Courtesy Pay Fee or Non-Sufficient Funds Fee. Please refer to our fee schedule. All fees and charges will be included as part of the Courtesy Pay limit amount. Your account may become overdrawn more than the Courtesy Pay limit amount because of a fee.
- If an item is returned because the available balance in your account is not sufficient to cover the item and the item is presented for payment again, MVCU will charge a Non-Sufficient Funds Fee each time it returns the item because



it exceeds the available balance in your account. If, on representation of the item, the available balance in your account is sufficient to cover the item MVCU may pay the item, and, if payment causes an overdraft, charge a Courtesy Pay Fee.

- For consumer accounts, there is a limit of 6 fees per day we will charge for overdrawing your account. This exception does not apply to business accounts.
- This describes the posting order for purposes of determining overdrafts. Our general policy is to post items throughout the day and to post credits before debits. Paper Checks are posted in check number order, while ATM and debit card transactions are posted in the order in which the items are received. ACH items are posted in the following order when they are received: ACH Credits, followed by ACH debits and if multiple ACH debits are received at the same time, from lowest to highest dollar amount. However, because of the many ways we allow you to access your account, the posting order of individual items may differ from these general policies. Holds on funds (described herein) and the order in which transactions are received and processed may impact the total amount of Fees assessed. Holds on funds (described herein) and the order in which transactions are posted may impact the total amount of Courtesy Pay or Non-Sufficient Funds Fees assessed.
- Although under payment system rules, Merrimack Valley Credit Union may be obligated to pay some unauthorized debit card transactions, Merrimack Valley Credit Union will not authorize debit card or ATM transactions unless your account's available balance (including Overdraft Coverage Options) is sufficient to cover the transactions and any fee(s).
- Giving us your consent to pay everyday debit card and ATM overdrafts on your consumer account (Extended Coverage) may result in you incurring Courtesy Pay Fees for transactions that we would otherwise be required to pay without assessing a fee. However, this would allow us to authorize transactions up to the amount of your Courtesy Pay limit and may also help you avoid overdrafts in excess of your available balance. If you consent to Extended Coverage on your consumer account, it will remain on your account until it is otherwise withdrawn.
- Merrimack Valley Credit Union authorizes and pays transactions using the available balance in your account. MVCU may place a hold on deposited funds in accordance with our Funds Availability Disclosure, which will reduce the amount in your available balance. The available balance for Checks, ACH items, and recurring debit card transactions is comprised of the ledger balance, less any holds on deposited funds and any debit card holds, plus the amount of the Courtesy Pay limit and any available overdraft protection. The available balance for ATM and everyday debit card transactions on accounts with Standard Coverage is the ledger balance, less any holds on deposited funds and any debit card holds, plus any available overdraft protection, but does NOT include the Courtesy Pay limit. For accounts with Extended Coverage, the Courtesy Pay limit is included in the available balance for authorizing ATM and everyday debit card transactions.
- Please be aware that the Courtesy Pay limit is not included in your available balance provided through online banking, mobile banking, or at MVCU ATMs.
- Merrimack Valley Credit Union will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction. When the hold ends, the funds will be added to the available balance in your account. If your account is overdrawn after the held funds are added to the available balance and the transaction is posted to the available balance, a Courtesy Pay Fee may be assessed.
- Except as described herein, Merrimack Valley Credit Union will not pay items if the available balance in your account (including the Courtesy Pay limit, if applicable) is not sufficient to cover the item(s) and the amount of any fee(s).
- Merrimack Valley Credit Union may suspend your debit card if your account is overdrawn more than 30 consecutive calendar days. Debit cards on your account will remain suspended until you make sufficient deposits so that your account balance is positive.
- If your debit card is suspended, you will be unable to use your debit card for purchases or to access your account(s) associated with the debit card(s) at the ATM while your debit card is suspended. If you use your debit card for recurring payments, e.g., utilities, you are responsible to make other arrangements for your recurring debit payment(s).



**While Merrimack Valley Credit Union will have the discretion to pay overdrafts on accounts in good standing (as described herein), any such payment is a discretionary courtesy, and not a right of the member or an obligation of Merrimack Valley Credit Union and Merrimack Valley Credit Union in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.**

If you have any questions about Overdraft Protection or Courtesy Pay, please call us at (800) 356-0067 or visit a branch.