First New York FEDERAL CREDIT UNION

Courtesy Pay Disclosure: Business Accounts

Overview of Standard Courtesy Pay Option

Courtesy Pay is a non-contractual, discretionary service that allows First New York FCU to pay items presented against a qualified checking account even if they cause the account to become overdrawn. The Courtesy Pay limit includes any Courtesy Pay fees assessed.

As long as you maintain your account in "good standing", and are making regular deposits, the business checking account has been open for at least 90 days and you are age 18 or older, we may approve your overdraft items within your current available Courtesy Pay limit. For Courtesy Pay consideration, account is in "good standing" if you (1) make regular deposits to cover transactions; (2) you bring the account to a zero or positive balance for a full 24-hour business day at least once every thirty days; and (3) there are no legal orders, levies or liens against your account; and (4) you do not have delinquent loan accounts.

Overdraft fees can be substantial, especially in relation to multiple small overdrafts. Thus, we discourage the intentional and routine writing of checks or initiating electronic funds transfers or other transactions that will overdraw your account if paid. Courtesy Pay should be used only for occasional and inadvertent overdrafts and should not be relied on in the same manner as, for example, a line of credit.

Alternative Overdraft Protection Programs

If more than occasional and inadvertent use of Courtesy Pay is anticipated, we believe you should consider alternatives such as linked accounts or obtaining a line of credit to avoid overdrawing your account. Under a linked account your checking account would be connected to another account, such as a savings account, so as to automatically transfer funds from the other account to the checking account as needed to avoid overdrafts. Under an overdraft line of credit, you would automatically borrow funds on the line of credit and have them transferred to your checking account as needed to avoid overdrafts. We encourage you to inquire about these alternatives we offer as these alternatives can often be cheaper than Courtesy Pay fees.

Categories of Transactions

This non-contractual and discretionary courtesy of paying overdrafts requires no accountholder action for the Courtesy Pay Standard Option and no additional agreements need to be signed. The standard option will cover the following items:

- Checks and other transactions made using your checking account number.
- Automatic bill payments
- Recurring debit card transactions
- ACH withdrawals

ATM/Debit Card Transactions

The Extended Courtesy Pay Option also allows First New York FCU to authorize ATM and one-time debit card transactions when enough funds are not available. Your business checking account is automatically opted in for this service but you may opt out at any time.

Time for Repayment

We reserve the right to require you to pay an overdraft immediately. You are responsible to pay any negative balance in your account and should make every attempt to bring your account to a positive balance within 20 days. If, after a period of time your account has not been brought to a positive balance, we may suspend your account and take other steps to recover the funds, including collection and/or legal action. You will be responsible for all costs of collections including, but not limited to, collection fees, attorney fees, and court costs.

Fees

There is no additional cost associated with this service unless you use it. If an item overdraws your account, whether we pay or return an item, your account will be assessed a fee, either as an Overdraft fee or a Returned Item fee but you will not be charged both. The $30.00 Courtesy Pay Fee that is charged if you overdraw your account is the same fee amount that is charged if an item is returned as unpaid. If multiple items overdraw your account on the same day, each item will be assessed an appropriate Courtesy Pay Fee or a Non-Sufficient Funds of $30.00. 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. There is a limit of ($240) per day we will charge you for overdrawing your account. We will not charge a Courtesy Pay Fee if the transaction amount is $10 or less.

Opt-In/Opt-Out Elections

The Courtesy Pay program has two options available: the Standard Option (checks, bill payment, recurring debit card transactions and ACH withdrawals) and the Extended Courtesy Pay Option. Please note that the Opt-In/Opt-Out choices are different for each.

Standard Courtesy Pay Option:

Opt-In: No accountholder Opt-In (action) is needed and no agreements are required. This is a non-contractual, discretionary program.

Extended Courtesy Pay Option:

Opt-In: No accountholder Opt-In (action) is needed and no agreements are required. This is a non-contractual, discretionary program.

Opt-Out:

You may always opt-out of the program entirely. You may choose at any time not to participate in the Courtesy Pay program by notifying a Member Service Specialist at 800-734-7375 option 2 or by visiting your local branch.

Circumstances Under Which We Would NOT Pay

The circumstances under which we would not pay an item or debit that would overdraw your account are entirely at our discretion, and we reserve the right not to pay. For example, we typically wouldn't pay if your account is not in good standing, not depositing regularly, or you have too many overdrafts. The fact that we pay one or more items, creating overdrafts does not obligate us to do so in the future.

Understanding your Available Balance

Your account has two kinds of balances: the Current Balance and the Available Balance.

- We authorize and pay transactions using the Available Balance.
- Your Current Balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending.
- Your Available Balance is the amount available to you to use for purchases, withdrawals, or to cover transactions. The Available Balance is your Current Balance, less any holds due to pending debit card transactions and holds on deposited funds.
- The balance used for authorizing checks, ACH items, and recurring debit card transactions is your Available Balance plus the amount of the Courtesy Pay limit and any available Overdraft Protection.
- The balance used for authorizing ATM and everyday debit card transactions on accounts with Standard Coverage is your Available Balance plus any available Overdraft Protection but does NOT include the Courtesy Pay limit.
- The balance used for authorizing ATM and everyday debit card transactions on accounts with Extended Coverage is your Available Balance plus any available Overdraft Protection and includes the Courtesy Pay limit.
- Because your Available Balance reflects pending transactions and debit holds, your balance may appear to cover a transaction but later upon settlement it may not be sufficient to cover such transaction. In such cases, the transaction may further overdraw your account and be subject to additional overdraft fees. You should assume that any item which would overdraw your account based on your Available Balance may create an overdraft. Note that we may place a hold on deposited funds in accordance with our Membership And Account Agreement, which will reduce the amount in your Available Balance.
- Please be aware that the Courtesy Pay amount is not included in your Available Balance provided through online banking, mobile banking or First New York Federal Credit Union's ATMs.
- We 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, we 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).

Contact Us

If you would like to have this service removed from your account or would like more information, please contact a Member Service Specialist at 800-734-7375 option 2 or visit your local branch.