

IMPORTANT INFORMATION REGARDING COURTESY PAY PROGRAM

effective 2.1.23

Please read this information and retain with personal financial records. As part of our commitment to provide you with valued service and benefits, we are updating the Courtesy Pay Program terms and conditions.

Courtesy Pay

SCE Federal Credit Union (Credit Union or SCE FCU) recognizes that sometimes you may overdraw your checking account. In such cases the Credit Union may decide to honor transactions for which there are insufficient funds. This is the Credit Union's Courtesy Pay Program. The Credit Union provides the Courtesy Pay Program as an accommodation to you and is not obligated to do so, even when it has done so in the past. You do not need to apply for this service.

Qualification

To be eligible for the Courtesy Pay Program, you must meet all of the following criteria:

- Must be a member in good standing;
- Must be age 18 or over;
- Cannot not be delinquent beyond 15 days on any loans with the Credit Union; and
- Account must not be Fresh Start Checking or Checkless Checking.

Good standing is defined as an account that does not have excessive overdrafts, or any legal judgments, levies, garnishments, and/or derogatory ChexSystem records. If your account is not in good standing or if you have created an unpaid loss to the Credit Union, Courtesy Pay services may be revoked.

Description of Service

When these qualifications are met, the Credit Union may automatically honor overdrafts, including checks, automated debits (ACH), bill payments, and recurring debit card transactions. Transactions covered by Courtesy Pay are subject to a Courtesy Pay Fee; transactions not covered by Courtesy Pay that exceed your available balance are subject to a Non-Sufficient Funds (NSF) Fee (previously identified as a Return or Returned Item Fee). Please refer to the Schedule of Fees and Charges for the current fee amounts.

Unless the Credit Union currently has your affirmative consent (opt-in) on file, we will not approve overdrafts for your everyday debit card transactions. You must tell us you want overdraft coverage for these transactions. When an overdraft is covered, the account will be taken negative by the dollar amount of the overdraft plus the amount of the Courtesy Pay Fee as stated in the Credit Union's Fee Schedule.

Courtesy Pay limits are:

- \$100 limit, if there are no electronic direct deposits through ACH or payroll direct deposit
- Higher limits may be assigned if the account receives an electronic direct deposit through ACH or payroll direct deposit. The Courtesy Pay limit is based on the amount of the highest direct deposit received in the last 35 days.
- \$300 limit with an electronic deposit of \$300 to \$499
- \$500 limit with an electronic deposit of \$500 to \$749
- \$700 limit with an electronic deposit of \$750 to \$999
- \$900 limit with an electronic deposit of \$1000 to \$1299
- \$1100 limit with an electronic deposit of \$1300 to \$1599
- \$1300 limit with an electronic deposit of \$1600 to \$1899
- \$1500 limit with an electronic deposit of \$1900 to \$2199
- \$1700 limit with an electronic deposit of \$2200 to \$2499
- \$2000 limit with an electronic deposit of \$2500 to \$2999
- \$2500 limit with an electronic deposit of \$3000 or more

When the Credit Union honors overdraft items, you must deposit funds immediately, but in no case more than thirty (30) days from the date the overdraft occurs. If you fail to cover the total overdraft amount within thirty (30) days, the Credit Union may pursue all collection options available to it. The Credit Union may, but is not obligated to, transfer funds from your

other accounts with us to cover the overdraft.

The Courtesy Pay Program service is a discretionary privilege offered to members and not a right of membership. The Credit Union encourages you to properly maintain your accounts with us to avoid overdrafts and overdraft fees. You agree that the Credit Union will not be held liable for either paying or refusing to pay any overdraft item. The Credit Union reserves the right to discontinue this service at any time without any notice.

ORDER OF POSTING; UNDERSTANDING YOUR AVAILABLE AND ACTUAL BALANCE

Order of Posting

The order in which items are paid is important if there is not enough money in your account to pay all of the items presented. We will pay checks, automated debits (ACH), debit card transactions, ATM withdrawals, and point-of-sale transactions in the order presented for payment to the Credit Union.

- Multiple checks presented for payment on the same day will be posted in check number order (from the lowest check number to the highest check number).
- For ACH transactions: deposits are credited before withdrawals are debited – by settlement date, in the order received from the Federal Reserve.
- For ATM card and debit card transactions: items are posted in the order the transaction is presented for payment, which may vary from the order the transaction was authorized. We will not charge a fee if your debit card transaction was authorized when there was a sufficient available balance in your account.

Actual and Available Balances

To properly manage the money in your account and avoid Courtesy Pay (overdraft) and Insufficient Funds (NSF) Fees, it is important that you understand the difference between your "actual balance" and your "available balance".

Your "actual balance" is updated throughout the day as transactions are posted to your account. The actual balance will not reflect or include any pending, un-posted authorized transactions. Your "available balance" is the amount in your account at a particular time that is available for immediate withdrawal. Your available balance is updated throughout the day to reflect holds and pending debit transactions. The difference between your actual balance and your available balance is the result of pending activity that has not yet posted to the account (examples: any "pending" debit card merchant withdrawals authorized for payment and deposits that have a hold and are not available for immediate withdrawal). We will use the "available balance" in your account to determine if you have sufficient funds to cover your transactions. You can determine your available balance at the ATM, by phone, or by accessing your account with Online or Mobile Banking.

You understand that you may be overdrawn even when your actual balance is positive. You also understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction you wish to make because your available balance will not reflect all of your outstanding checks, automatic bill payments or recent deposits.

Also note, your available balance may not reflect all of your pending debit card transactions if an authorization hold is released prior to the transaction being presented for payment. For example: if a merchant obtains your prior authorization but does not submit a one-time debit card transaction for payment within two (2) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we are required to release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account.

You must keep careful records and practice good account management to avoid making transactions without sufficient funds available for withdrawal. Other examples include:

Example 1: If you write a check for \$25 but it has not yet cleared your account, your available balance will be \$25 less than what is reflected by your actual balance.

Example 2: If you authorize a debit card transaction for \$30 but it has not yet posted to your account, your available balance will be \$30 less than what is reflected by your actual balance.

Example 3: The following transactions are not reflected in your available balance:

- Any checks you have written that have not yet been presented for payment.
- Any automatic bill payments you have scheduled that have not yet been sent.
- Any debit card transactions where the authorization hold has been released but the transaction has not yet been submitted to the Credit Union.

Notice Regarding Non-Sufficient Funds (NSF) Fees

When a check or ACH transaction is returned unpaid due to insufficient available funds and not covered by the Courtesy Pay Program, you will be charged an NSF Fee, as stated

in the Credit Union's Fee Schedule. You will also be charged an NSF Fee, if a pre-authorized recurring debit card purchase is paid by force-posting it to your account and not covered by Courtesy Pay. Pre-authorized, recurring debit purchases (such as gym memberships or movie subscriptions) cannot be returned unpaid since they were pre-authorized.

If multiple items are returned unpaid on the same day due to insufficient available funds, you will be charged an NSF Fee for each returned item. The same item may be presented for payment more than once, and you will be charged an NSF Fee each time that item is presented and returned due to insufficient available funds.

WHAT YOU NEED TO KNOW ABOUT COURTESY PAY AND COURTESY PAY FEES

An overdraft occurs when you do not have enough money in your checking account to cover a transaction but we pay it anyway. We can cover your overdrafts in the following manner:

1. We have Standard Courtesy Pay Coverage that automatically comes with your checking account. This covers checks, ACH and recurring debit transactions.
2. We have Optional Courtesy Pay Coverage for everyday debit card transactions including point-of-sale (POS).

What fees will I be charged if SCE FCU pays my overdraft?

Under our Standard and/or Optional Courtesy Pay Coverage, a fee is assessed each time an overdraft item is presented and paid by the Credit Union – although there is no fee for maintaining the coverage on your account. We will charge a maximum of four (4) Courtesy Pay Fees per day and no fee if overdrawing the account's available balance by \$5 or less and paid by using Courtesy Pay; or if the transaction is \$5 or less and paid by using Courtesy Pay. The Courtesy Pay Fee and the daily limit are subject to change in accordance with our Membership Agreement & Disclosure. Refer to the Schedule of Fees and Charges for current fee information.

What is the Standard Courtesy Pay Coverage that automatically comes with my account?

With our Standard Courtesy Pay Coverage, we will authorize and pay overdrafts for the following types of transactions:

- Checks and other electronic transactions (ACH) made using your checking account number
- Automatic bill payments and/or recurring debit card transactions (for example: gym memberships or movie subscriptions)

We will not authorize and pay overdrafts for any ATM transactions and will not pay overdrafts on everyday debit card transactions on existing accounts unless you ask us to (see Optional Courtesy Pay coverage below).

We pay overdrafts at our discretion, which means we do not guarantee we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined.

What is the Optional Courtesy Pay Coverage for everyday debit card transactions?

In addition to the Standard Courtesy Pay Coverage, you may elect to add Optional Courtesy Pay Coverage to cover your everyday debit card transactions (examples: restaurants, gas or groceries).

If you want to make changes to the coverage provided by our Courtesy Pay Program, you must inform the Credit Union by contacting us in the manner most convenient to you. You may make changes at any time by:

- Calling us at 800.866.6474;
- By logging in to Digital Banking and sending a secure message or initiating a chat; or
- Sending us a Secure eMail at scefcu.org/secure-email.