

**SOVITA CREDIT UNION
OVERDRAFT POLICY - COURTESY PAY SERVICE**

To permit more flexibility in providing service to our members, Sovita Credit Union is adopting an Overdraft Policy that includes a Courtesy Pay Service. With our Courtesy Pay Service, we will generally consider for payment your not-sufficient funds (NSF) share drafts, ACH items, Debit Card (see below) or ATM (see below) transactions, and fees up to a pre-approved limit (\$500.00 unless we notify you differently). This service will save you time, embarrassment and the additional fees charged by many other companies.

It should be noted that our Courtesy Pay Service is a non-contractual arrangement. Under your Membership and Account Agreement and under the Michigan Uniform Commercial Code, the credit union always has the option, unless it has contracted to the contrary, of honoring or not honoring any item which, if paid, would overdraw or further overdraw your account.

Transactions that can impact a share draft account that may be subject to the overdraft policy include but are not limited to NSF Share Draft, ACH and recurring Debit Card withdrawals. Courtesy Pay Service coverage for NSF ATM and one-time Debit Card transactions require member Opt-In. An Opt-In Consent Form for ATM/Debit Card transactions must be completed for this coverage. If you choose to opt-in for ATM/Debit Card courtesy pay coverage, you have the right to opt-out at any time. If you do not opt-in (or opt-in and later opt-out), we will generally refuse to honor any of these types of transactions that would overdraw or further overdraw your account. If we do honor such a transaction when you have not opted-in, we will not charge you a fee for the transaction involved.

QUALIFYING FOR COURTESY PAY SERVICE

Our Courtesy Pay Service may allow you to overdraw your share draft (checking) account up to our pre-approved limit if you meet the following conditions:

- 30 days membership at Sovita Credit Union (Credit Union)
- No negative balances in any other accounts
- No delinquent loans
- No previous loss history with the credit union
- 18 years or older and a current address on file

If the above criteria are met and in the previous 30 days you had an aggregate direct deposit of \$750.00 or more, your Courtesy Pay limit may be increased to \$750.00 for the current month.

You will be charged the same per item fee if we honor an overdraft transaction that we would charge if we declined to honor such a transaction. This fee, \$18.00 as of November 14, 2011, is set forth in the Credit Union's Fee Schedule and is subject to change from time to time.

Your account must not maintain an overdrawn balance for more than 14 days. If your account is not brought to a positive balance (zero or higher) at least once every 14 days your Courtesy Pay Service may be suspended.

If you currently have overdraft protection for your share draft account from other share or club account(s) or a Sovita Credit Union line of credit, we will first attempt to overdraft funds from the other share or club account(s) or (except for ATM and one-time debit card transactions) line of credit in accordance with your Membership and Account Agreement before activating our Courtesy Pay Service.

YOUR RIGHT TO OPT OUT OF OVERDRAFT COVERAGE

You may tell us not to provide our Courtesy Pay Service to your accounts. If you choose to do so, we generally will refuse to honor any transaction that would overdraw or further overdraw your account although we do retain the legal right to pay such an item if we wish.

WITHDRAWAL OF SERVICE

After your Courtesy Pay has been activated, we may suspend your Courtesy Pay if you are later determined not to be eligible under the above-mentioned conditions.

Our Courtesy Pay Service is designed to cover an occasional problem situation which results in an overdraft transaction being presented to the credit union. It is not intended to serve as a line of credit. The Credit Union reserves the right to withdraw the service if it is abused. The credit union also always retains the right to close a share draft (checking) account if it believes such action to be in the best interest of the credit union to do so. An account which is chronically overdrawn or which otherwise reflects poor funds management will be reviewed for closure.

CHANGES TO OVERDRAFT POLICY

The Credit Union reserves the right to change this Overdraft Policy - Courtesy Pay Service at any time or to discontinue offering the Courtesy Pay Service altogether.