

Discretionary Courtesy Pay Policy



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

Courtesy Pay is not a line of credit. Courtesy Pay is an automated overdraft system, with limitations as described below, that pays items presented for payment on member accounts against insufficient available funds at the discretion of the Credit Union. Categories of transactions for which a fee for paying an overdraft may be imposed includes checks, over the counter withdrawals, ATM withdrawals, ACH or Point of Sale transactions.

If a member overdraws their account, Shell FCU will have the discretion to pay the overdraft, subject to the limit of the Courtesy Pay and the amount of the overdraft fee. Shell FCU is not obligated to pay any item presented for payment if the account does not contain sufficient available funds. Any discretionary payment (or other negotiation or processing) by Shell FCU of any non-sufficient funds check or other item does not obligate or create an agreement or course of dealing for Shell FCU to pay any additional non-sufficient funds check or item or to provide prior notice of its decision to refuse to pay an additional non-sufficient funds check or item.

If the member's primary share draft account has been open for at least 180 days, deposited at least \$300 every 30 days, no NSF's in the last 60 days and maintains their account in good standing, which includes:

- A) Bringing the primary share draft account balance to a positive balance within every 30 day period;
- B) Not being in default on any loan or other obligation to Shell FCU;

C) Not being subject to any legal or administrative order or levy and;

D) No collection activity; then Shell FCU will have the discretion to pay overdrafts within the Courtesy Pay limits, but payment by Shell FCU is a discretionary courtesy and not a right of the account holder or an obligation of Shell FCU. The Courtesy Pay limit is \$800 and is only attached to the member's primary share draft account. Any and all fees and charges including, without limitation, the Courtesy Pay fee of \$25 per item will be included as part of this maximum amount. The total amount of overdrafts honored will not exceed more than the Courtesy Pay limit of \$800 per primary share draft account. The member has a time limit, not to exceed 45 calendar days, to deposit funds or obtain an approved loan to bring their account up to a positive balance.

Shell FCU will not authorize and pay overdrafts for ATM and one-time debit card transactions without an opt-in authorization from the member.

The total of the discretionary Courtesy Pay (negative) balance, including any and all fees and charges, including all non-sufficient funds/ overdraft fees 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 Membership and Account Agreement.

Shell FCU in its sole and absolute discretion can cease paying overdrafts at any time without prior notice of reason or cause.

Thank you for the
opportunity to serve you!