

Franklin-Oil Region Credit Union

Discretionary Courtesy Pay Disclosure

It is the policy of Franklin-Oil Region Credit Union (FOR-CU) to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Deposit Account Agreement and Disclosure provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the Authorized Signatories and FOR-CU with regard to your checking account. The Deposit Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Courtesy Pay Disclosure and the Deposit Account Agreement and Disclosure. A copy of the Deposit Account Agreement and Disclosure is available to you on request from your FOR-CU.

The 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 the limit of your Courtesy Pay and the amount of the overdraft fee. FOR-CU is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by FOR-CU of an overdraft check (or item, such as an ATM withdrawal) does not obligate FOR-CU to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

Pursuant to FOR-CU's commitment to always provide you with the best level of service, now and in the future, if your consumer account (primarily used for personal and household purposes) 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 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 FOR-CU
and
- C) Not being subject to any legal or administrative order or levy,

FOR-CU will have the discretion to pay overdrafts within the Courtesy Pay limit, but payment by FOR-CU is a discretionary courtesy and not a right of the member or an obligation of FOR-CU. FOR-CU in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

This privilege for consumer checking or savings accounts will generally be limited to a maximum of \$500 overdraft (negative) balance. Of course, any and all fees and charges, including without limitation the 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. It may be possible that your account will become overdrawn in excess of the Courtesy Pay amount as a result of the assessment of a fee.

The total of the discretionary Courtesy Pay (negative) balance, which includes 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 Deposit Account Agreement and Disclosure. Our standard Overdraft fee of \$25 will be imposed for overdrafts created by checks, ACH, ATM withdrawals, everyday debit card transactions, in-person withdrawals, or by other electronic means. Transactions may not be processed in the order in which they occurred, and the order in which transactions are received and processed may impact the total amount of fees incurred.

For our consumer members FOR-CU will not pay overdrafts for ATM or everyday debit card transactions unless FOR-CU has provided you with the notice required by section 205.17(b) of Regulation E and you have opted in to the payment of these overdrafts. In order to avoid overdrafts due to ATM and everyday debit card transactions, FOR-CU will place a hold on your account for any ATM or everyday debit card transaction authorized until the transaction settles. ATM and everyday debit card transactions usually settle within two business days after the transaction is authorized. The amount of the hold will be for the amount authorized, or as permitted under applicable payment network rules. Holds on authorized ATM and everyday debit card transactions will be removed prior to settlement where required by applicable payment network rules.

Consumer members may opt out of the Courtesy Pay services for check, ACH and debit card bill payment transactions at any time by contacting one of our Account Services Representatives.

Announcement Date 10/14/2011