

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

A courtesy pay occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard Courtesy Pay practices that come with your account.
2. We also offer overdraft protection plans, such as a link to a savings account or a line of credit, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our standard Courtesy Pay/e-Courtesy Pay practices.

➤ **What are the standard Courtesy Pay practices that come with my account?**

Currently, we do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number; and
- Automatic bill payments.

➤ **Starting August 15, 2010 SunState has the ability to authorize and pay overdrafts for ATM and everyday debit card transactions (e-Courtesy Pay). However, we will not authorize and pay overdrafts for ATM and everyday debit card transactions unless we receive your authorization (see below).**

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.

If we do not authorize to pay an overdraft, your transaction will be declined and a fee may be assessed.

➤ **What fees will I be charged if SunState Federal Credit Union pays my overdraft?**

Under our standard Courtesy Pay/e-Courtesy Pay practices:

- We will charge you a fee of \$35.00 each time we pay an overdraft; and
- There is no limit per day on the total fees we can charge you for overdrawing your account.

➤ **What if I want SunState Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions beginning August 15, 2010 do one of the following: call 1-877-SUNSTATE, log into your Home\$Banking account, complete the form below and present it at a branch or mail it to:

SunState Federal Credit Union
Retail Operations Center
PO Box 1162
Gainesville, FL 32602-1162.

_____ I want SunState Federal Credit Union to authorize and pay overdrafts on my ATM and everyday debit card transactions beginning August 15, 2010.

Printed Name: _____

Date: _____

Account Number: _____

Signature: _____

SunState Federal Credit Union
Discretionary Courtesy Pay Policy

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

The SunState Terms and Conditions as well as the Truth-In-Savings Disclosure provided to you at the time you opened your account with us control the duties, obligations and rights of the Depositor, the Authorized Signatories and SunState with regard to your checking account. The SunState Terms and Conditions (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Courtesy Pay Policy and the SunState Terms and Conditions and Truth-In-Savings Disclosure. Copies of the SunState Terms and Conditions and the Truth-In-Savings Disclosure are available to you on request from your SunState Federal Credit Union Member Service Representative or through Home\$Banking.

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. SunState is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by SunState of an overdraft check (or item, such as an ATM withdrawal) does not obligate SunState 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 SunState’s commitment to always provide you with the best level of service, now and in the future, your consumer account (primarily used for personal and household purposes) must have 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 twenty-one (21) day period;
- B) Maintaining a Par value in your regular share account;
- C) Not being in default on any loan or other obligation to SunState Federal Credit Union; and
- D) Not being subject to any legal or administrative order or levy.

SunState will have the discretion to pay overdrafts within the Courtesy Pay limits, but payment by SunState is a discretionary courtesy and not a right of the member or an obligation of SunState. This privilege for consumer checking accounts will generally be limited to a maximum of \$1,000.00. Of course, any and all fees and charges, without limitation, to include 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/courtesy pay fees is due and payable upon demand. Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the SunState Terms and Conditions as well as the Truth-In-Savings Disclosure. Our standard Courtesy Pay fee per published fee schedule will be imposed for overdrafts created by checks, ACH, ATM withdrawals, everyday debit card transactions, in-person withdrawals, or by other electronic means. The order in which transactions are received and processed may impact the total amount of fees incurred. Transactions are processed in the order in which they are received at SunState (first in-first out).

While SunState will have the discretion to pay overdrafts on accounts in good standing (as described above), any such payment is a discretionary courtesy, and not a right of the customer/member or an obligation of SunState and SunState in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

SunState will not pay overdrafts for ATM or everyday debit card transactions after August 15, 2010 unless you have opted into the payment of these overdrafts and SunState has provided you with the notice required by section 205.17(b) of Regulation E.

In order to avoid overdrafts due to ATM and everyday debit card transactions, SunState will place a hold on your account for any ATM or everyday debit card transaction authorized for three days. ATM and everyday debit card transactions usually settle within three 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.

In addition, you 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 Member Services Representatives at 1-877-SUNSTATE.

May 3, 2010