Tongass Federal Credit Union

Discretionary (Courtesy Pay) Policy

It is the policy of Tongass Federal Credit Union 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 Tongass Federal Credit Union with regard to your share draft 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 Policy and the Deposit Account Agreement and Disclosure. A copy of the Deposit Account Agreement and Disclosure is available to you on request from your Tongass Federal Credit Union officer.

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 privilege amount and the amount of the overdraft fee. Tongass Federal Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by Tongass Federal Credit Union of an overdraft share draft (or items, such as ATM withdrawals) does not obligate Tongass Federal Credit Union to pay any other overdraft share draft (or item), or to provide prior notice of its decision to refuse to pay such share draft (or item).

Pursuant to Tongass Federal Credit Union'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, or if your commercial account has been open for at least sixty (60) days, and thereafter you maintain your account in good standing, which includes at least:

1. Bringing your account balance to a positive balance within every thirty (30) day period for a minimum period of 24 hours;
2. Not being in default on any loan or other obligation to Tongass Federal Credit Union and
3. Not being subject to any legal or administrative order or levy

Tongass Federal Credit Union will have the discretion to pay overdrafts within the Courtesy Pay limits, but payment by Tongass Federal Credit Union is a discretionary courtesy and not a right of the member or an obligation of Tongass Federal Credit Union. This privilege for consumer share draft or share accounts will generally be limited to a maximum of $1,000 overdraft (negative) balance. This privilege for commercial accounts will generally be limited to a maximum of $1,000 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.

The total of the 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 Deposit Account Agreement and Disclosure with a maximum repayment period of 30 days.

Again, while Tongass Federal Credit Union 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 member or an obligation of Tongass Federal Credit Union and Tongass Federal Credit Union in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.