

Prevent The Embarrassment of Declined ATM and Debit Card Transactions

Many members find the Courtesy Pay service to be a valuable tool to help avoid unpleasant surprises when buying groceries, gas or prescriptions. Courtesy Pay may not be a service you use frequently, but it is reassuring to know that you may be able to make an urgent purchase or obtain cash, even if you do not have the funds readily available in your checking account. Due to changes in Federal Regulations, Courtesy Pay coverage will no longer be automatic for ATM and Debit Card transactions beginning August 15, 2010. To keep Courtesy Pay on these types of transactions, call our Member Service Center at **(865) 482-4343** or visit your nearest branch and speak with a Member Service Representative today.

Courtesy Pay

What You Need to Know About Changes to ATM and Debit Card Overdrafts

An overdraft occurs when you do not have enough funds available in your checking account to cover your transaction; as a courtesy, the Credit Union pays the transaction (up to \$400.00) for you and an overdraft fee is charged to your account.

Currently, TN Members 1st FCU may cover your overdrafts in one of two ways:

1. Courtesy Pay, the standard overdraft practice that comes with your checking account, means TN Members 1st FCU may authorize and pay overdrafts for the following types of transactions:

- Checks, ACH transactions and other transactions made using your checking account number
- Automatic bill payments
- ATM and everyday debit card transactions

2. 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. To learn more, ask us about these plans.

It's your choice

Due to new Federal Regulations, starting August 15, 2010, **you must choose** to keep Courtesy Pay before the service can continue to cover your everyday debit card and ATM transactions. The new rules do not affect paper check, ACH or automatic bill payment overdrafts.

If you do NOT request a continuation of Courtesy Pay, TN Members 1st FCU will not authorize and pay ATM or debit card overdrafts; these transactions will be declined.

If TN Members 1st FCU pays your overdraft with the Courtesy Pay service, you will be charged a fee of \$25 for each overdrawn transaction, regardless of the amount of the overdraft. Be aware that there is no limit on the total fees you can be charged if you repeatedly overdraw.

Financial flexibility

Whether you choose to keep Courtesy Pay or not, these new rules give you more flexibility in managing your money. Even if you decide to keep Courtesy Pay today, you can cancel it at any time; if you choose not to keep it now, you can sign up at a later date.

To keep Courtesy Pay on your ATM and debit card transactions, please do **one** of the following:

- Call (865) 482-4343 and speak with a Member Service Representative
- Stop by any branch and speak with a Member Service Representative

FAQ:

What is an overdraft?

An overdraft occurs when you do not have enough funds available in your checking account to cover your transaction; as a courtesy, the Credit Union pays the transaction for you and an overdraft fee is charged to your account. TN Members 1st FCU can cover your overdrafts in one of two ways:

- Courtesy Pay: The standard overdraft service that comes with your checking account.
- 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.

What is Courtesy Pay?

Courtesy Pay is the standard overdraft service that comes with your checking account; it means that TN Members 1st FCU may authorize and pay overdrafts for the following types of transactions:

- Checks, ACH transactions and other transactions made using your checking account number
- Automatic bill payments
- ATM and debit card transactions

What is being changed?

Due to changes in Federal Regulations, starting August 15, 2010, TN Members 1st FCU will not authorize and pay overdrafts on ATM and everyday debit card transactions unless you ask us to. Your coverage for paper check, ACH, and automatic bill payment overdrafts are not affected.

Why is this service being changed?

Last year, changes were made to Federal Reserve rules affecting Regulation E which covers electronic transactions. These changes will take effect on August 15, 2010; they require ALL financial institutions to explain overdraft services and offer customers and members the ability to make choices about overdraft services for transactions made with a debit or ATM card.

Does this affect my overdraft service or account now?

No. If you opt-in, your current Courtesy Pay service will not change; If you choose NOT to opt-in, Courtesy Pay will still be active on your ATM and debit card transactions until August 15.

What does Courtesy Pay cost?

If you do not overdraw, Courtesy Pay costs you nothing. If TN Members 1st FCU pays your overdraft, you will be charged a fee of \$25 for each overdrawn transaction, regardless of the amount of the overdraft. If you repeatedly overdraw your account, there is no limit on the total fees you can be charged. TN Members 1st FCU pays overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.

What are the advantages to keeping Courtesy Pay?

Keeping Courtesy Pay is simply a continuance of the service we've been providing to you since November 2006. You get the benefit of peace of mind whenever you make a purchase with your debit card or withdraw cash from an ATM; you don't have to worry about not having the funds in your account and a transaction being declined.

I have Overdraft Protection linked to a savings account or line of credit; do I still need Courtesy Pay?

If you have a TN Members 1st FCU Overdraft Protection plan linked to a savings account or line of credit you may still be interested in the Courtesy Pay service. Keep in mind there is a limit of six transfers, ACH or otherwise, per statement cycle on savings accounts as mandated by the Federal Reserve Board Regulation D.

Why should I make this decision now?

Starting August 15, 2010, TN Members 1st FCU will not authorize and pay overdrafts on ATM and debit card transactions unless you ask us to. If you opt-in now, you won't have to remember to contact us in a few months and the continuation of Courtesy Pay on your ATM and debit card transactions will be seamless. If you opt-in after August 15, you could have a gap in the service and if you overdraw, transactions could be denied.

How do I opt-in? How do I keep Courtesy Pay?

To opt-in, you simply have to notify TN Members 1st FCU in ONE of the following ways:

- Call (865) 482-4343 and speak with a Member Service Representative
- Visit your local TN Members 1st FCU branch and speak with a Member Service Representative
- If you have the letter you received in the mail, simply check the box at the bottom of the letter and mail the entire letter back to the credit union.

I lost the letter; can I still opt-in?

There are several other ways to opt-in if you have misplaced the notice letter mailed to you:

- Visit your local TN Members 1st FCU branch and speak with a Member Service Representative
- Call the credit union at (865) 482-4343

What if I do NOT want to opt-in; what do I do?

You don't have to do anything. If you do NOT want to opt-in, or we do not receive any opt-in notification from you, TN Members 1st FCU will stop paying your ATM and debit card overdrafts beginning August 15, 2010.

If I do not opt-in, when will you stop paying my ATM and debit card overdrafts?

If you do NOT opt-in, or we do not receive any opt-in notification from you, TN Members 1st FCU will stop paying your ATM and debit card overdrafts beginning August 15, 2010.

Can I make this decision later?

Of course! The changes do not go into effect for existing members until August 15. This is an important choice and you can take time to review what is best for you. When you are ready to opt-in, you just have to notify TN Members 1st FCU in ONE of the following ways:

- Call (865) 482-4343 and speak with a Member Service Representative
- Visit your local TN Members 1st FCU branch and speak with a Member Service Representative

What if I change my mind?

You can opt-in or opt-out at a later date if you would like. Simply us at (865) 482-4343 or speak with a Member Service Representative at your local branch.

What if I don't want Courtesy Pay on ANY of my checking account transactions?

If you would like to remove the Courtesy Pay overdraft protection service for ALL of your checking account transactions – paper checks, automatic bill payments, ACH transactions, ATM and everyday debit card transactions – please contact us at (865) 482-4343 or visit your local branch and speak with a Member Service Representative. If you have Courtesy Pay removed entirely, be aware that overdraft transactions will be denied or returned unpaid and you may be charged a “NSF” fee of \$25. If you use your debit card and the amount that is authorized is less than what clears your account, you could incur a “overdrawn with card fee.”