

**From:** "Larry Knopp" <president@uniwyo.com> on 06/23/2004 10:41:38 AM

**Subject:** Docket number R-1197

Dear Ms. Johnson,

We adopted a courtesy pay program in February 2003. We did this as a benefit to our members.

Under our program we charge the same fee, \$15.00, whether we pay a check or return the check as non sufficient funds. The courtesy pay program allows our members who qualify for the program to take their account negative up to \$500. After they hit the \$500 limit we begin to reject the checks--unless we have knowledge of a warehoused deposit that is arriving. If we know a deposit is about to hit the account we will allow the member up to the amount of the deposit. Going up to the amount of the deposit has been very beneficial to the members who have an automatic payment for their home mortgage hitting the account a day or two prior to their automatic deposit of a paycheck.

The courtesy pay program has not increased the amount an individual member pays in NSF fees to our credit union. It has DECREASED the amount the member pays in fees to merchants for checks that ordinarily would have been returned. The merchants in this area charge the consumer from \$25 to \$35 per check returned. As a conservative estimate, we have saved our members well over \$100,000 in fees in the first 12 months of this program. That is to say nothing of saving the member the time and embarrassment of going to the merchant to pay for and pick up the NSF check.

Our members qualify for the program by having an account for at least 6 months, by never having the account negative for more than 10 days during that time, and by being current on all loans with the credit union. Once they have met this criteria they are automatically enrolled in the program and we will cover their checks up to the limits as already mentioned.

I see no reason to change or restrict the rules regarding the courtesy pay program. More disclosures would not really help our members.

In our particular case, we charge the lowest fee in town for a returned item, and did not raise the fee when we implemented the courtesy pay program. We have not raised our NSF fee in at least 9 years. As a credit union, our focus is not profit, but rather service to our members. I think, and am sure that the members agree, that the courtesy pay program has been a good addition to the services we offer.

Larry Knopp  
President  
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NCUA Charter number 9089