



BSG Financial Group™

CourtesyConnect®/CourtesyLimit™

Compliant Courtesy Overdraft Management



All account holders are different.

# Why treat them the same?

CourtesyConnect®/CourtesyLimit™ is the industry's first cloud-based automated overdraft management system. It combines Dynamic Overdraft Limits with Dynamic Communications for a unique, customized experience for your account holders. The program equips your financial institution with the expertise and automation to reap the rewards of providing this valued service while effectively managing compliance and financial risks.

*Regulations and guidance have forced institutions to not only monitor their overdraft protection programs more closely, but to justify their existence.*

*Despite this, tremendous service and income opportunities exist.*

**CourtesyConnect®/CourtesyLimit™ helps your institution:**

- Determine individual, dynamic daily overdraft limits
- Maximize revenue on account holders who value the service
- Manage compliance and risk
- Continually optimize the service through data analysis and reporting
- Produce custom, dynamic communications to account holders



# Dynamic Overdraft Limits

**Meeting needs. Managing risk.** Gone are the days of the “one-size-fits-all” overdraft programs where all account holders of a particular account or profile receive the same overdraft limit. Federal regulatory guidance requires that financial institutions monitor the credit risk of each account holder and make plan adjustments “to ensure that credit risk remains in line with expectations.” This ongoing monitoring requires financial institutions to utilize advanced algorithms that analyze account holder data on a daily basis and alert you to take action such as adjusting overdraft limits, suspending the service, suggesting counseling, etc.

**Outdated overdraft systems simply cannot provide this level of sophistication.** However without it, your institution is at risk for higher charge-offs and at a loss when justifying overdraft limits to regulators. You also miss out on additional fee income that the service can generate as you honor more overdrafts and help more account holders meet their short-term funding needs.

**CourtesyLimit™** is the risk management component of our automated overdraft service. This data-driven software module enables your institution to establish a risk profile for each account and assign individualized overdraft limits based on the account holder’s ability to repay at any given time. These dynamic limits are calculated automatically based on more than 20+ account holder data points, including specific deposit and overdraft activity, related balances and more.

With dynamic limits, your institution provides account holders a personalized courtesy pay service—one that pays more items for those account holders who appreciate and can afford the service, while pulling back on overdraft limits for those account holders whose ability to repay has diminished.

CourtesyLimit™ allows your institution to manage revenue loss and charge-off risk; save time making fewer pay/return decisions; and help more account holders meet their short-term liquidity needs.

**CourtesyLimit™** allows your institution to:

- Automatically determine **individual, daily overdraft limits** for individual account holders
- Set up **countless overdraft limit plans for different account groups**, that include:
  - Custom settings for **different risk tolerances**
  - **Suspension factors** that set the overdraft limit to zero
  - **Fixed limits** for specific accounts, if desired
- Automatically determine when **corrective action** is needed



# Dynamic Communications

Just as one-size-fits-all overdraft limits are a thing of the past, so too are impersonal and generic communications. The CourtesyConnect® overdraft communications module produces dynamic communications to account holders—based on their overdraft and account activities—to enhance account holder relations, maximize collections, reduce costs and manage risk.

CourtesyConnect® identifies those account holders who may be in trouble and allows your institution to produce automated, custom messages (by phone call, email and/or letter) about service alternatives, repayment plans, counseling, etc.

**The software also produces automated communications triggered by events, such as:**

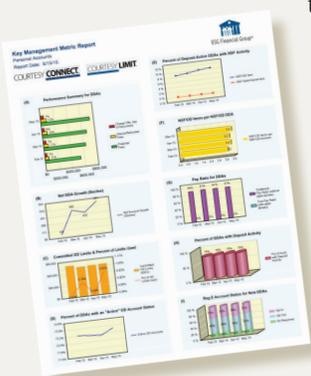
- Debit/ATM Transactions denied for NSF
- Overdrawn Balances
- Days Overdrawn
- Account Holder Overdraft Repayment Capacity
- Other Changes in Account Activity

**Timing is everything.** All communications are sent at just the right time to be relevant to the account holder and for optimal results. For instance, the most opportune time to discuss Reg E options is immediately after an account holder has experienced a debit card decline due to NSF. CourtesyConnect® identifies these events and account holders, and allows you to provide them with a custom, timely correspondence. This personalized response is valued by account holders and can lead to more informed decisions and potentially more income as more account holders choose to opt in.

CourtesyConnect® tracks all communications and responses, schedules follow-ups and monitors effectiveness. Well-timed, custom messaging to account holders not only enhances their experience and service, it demonstrates to regulators your commitment to compliance and doing what's right for the consumer. Dynamic communications can also reduce the cost of producing and mailing overdraft collection letters by as much as 20 percent.

**Powerful Reporting.** Regulatory guidance stipulates that financial institutions must accurately report and track account holder NSF activity, including activity deemed excessive. Multiple standard reports are available to provide account risk assessment and ongoing risk scoring as part of an effective and efficient collection and analysis system. In addition, a monthly Key Management Metric (KMM) Report and Overdraft Management Report are generated to provide

management with an easy-to-read review of key performance metrics. These reports allow your institution to monitor program performance, spot trends and quickly make appropriate plan adjustments.



Standard, pre-configured monthly reports include:

- **Overdraft Management Snapshot Report** containing the top 10 factors you need to monitor on a monthly basis
- **Reg E New Account Enrollment Report** to monitor your Reg E enrollment performance
- **Reg E Call Reports** to analyze and monitor department and individual caller success
- **NSF/OD Item Type Reports** for tracking the amounts and types of NSF/OD items you receive
- **Frequent User Reports** allow you to take pro-active measures on troubled accounts
- **Revenue, Waiver, Refund and Charge-Off** reporting for performance monitoring
- **Overdraft Balance Aging Reports** for risk analysis



# Why BSG Financial Group?

## Cloud-Based Service for Ease & Efficiency.

BSG Financial Group's CourtesyConnect®/CourtesyLimit™ overdraft management software is cloud-based for security, ease-of-use and low cost of ownership.

### The benefits of a hosted solution include:

- **Economical**—Unlimited employee access; No need to purchase server or multiple seat licenses.
- **Secure**—The system operates within BSG Financial Group's "private cloud" safely behind our firewall and protected by multi-factor authentication regulatory requirements.
- **Easy to Use & Maintain**—
  - Browser-based and intuitive to use.
  - Your IT department is not responsible for server maintenance, secure file transfer site maintenance, disaster recovery site or backups.
- **Automatic System Upgrades**—The system is refreshed nightly, and updates and upgrades occur automatically, with NO impact on your IT staff.
- **Scalable**—Institutions of all sizes enjoy the benefits of CourtesyConnect®/CourtesyLimit™ due to its flexible platform, which scales up or down depending on your financial institution's needs and capabilities.

## Our Consultative Approach.

Financial institutions that implement the CourtesyConnect®/CourtesyLimit™ solution benefit from a consultative partnership. Our approach to the relationship includes proactive account monitoring and consultation with our clients to ensure optimization of the overdraft program and a higher level of service to your account holders.

### Our continuous, proactive outreach to our clients includes:

- Custom training for managers and front line personnel about the benefits and administration of the program.
- **An established set of Best Practices** that aligns with all federal regulations and guidelines (and has done so since the program was introduced in 1999) to allow your institution to design and administer the program in a fully compliant manner. *These standards include software strategies and actions to automatically manage account holder overdrafts—from generating custom overdraft notices, to subsequent follow-up letters, and inbound/outbound telephone calls.*
- Recommendations and training to increase the number of qualified participants in the program as well as to optimize Reg E decisions for new and existing accounts.
- Annual review to assess program performance and suggest methods for further optimization.

*“They’ve done things I’ve never seen other vendors do.  
We’re in a relationship... a strong relationship.”*