

# First State Bank

## Overdraft Services Disclosure

**INSUFFICIENT FUNDS** – The definition of this term means you don't have enough available funds in your checking account to pay the withdrawals you are attempting from that account. Insufficient funds could occur as a result of one or more of the following types of transactions:

- The payment of checks, electronic funds transfers, or other withdrawal requests;
- Payments authorized by you;
- The return of unpaid items deposited by you;
- The assessment of bank service charges;
- The deposit of items which, according to the Bank's Funds Availability Policy, are treated as not yet available or until collection of items are final; or
- ATM cash withdrawals and Money Card (debit card) transactions.

**What happens when your checks or other debits are returned unpaid?**

- The payee or merchant may charge you a fee when your check or other debit is returned unpaid and may be unwilling to accept checks from you in the future.
- The payee or merchant who accepted your check or other debit as payment may be charged a fee by their bank when they deposit it.
- Your credit rating may be adversely affected which may affect your ability to obtain credit in the future.
- You may also receive a \$32.00 return item fee.

**CONSUMER OVERDRAFT SERVICES** – The following overdraft services are available on qualifying checking accounts:

1. Overdraft Privilege
2. Overdraft Transfer Service

**1. Overdraft Privilege** – This service may provide coverage up to \$500.00 on qualifying consumer checking accounts (maximum of \$250.00 within the first 30 days of opening a new account), up to \$1,000 for small business checking accounts, and up to \$2,500 for all other business checking accounts for your overdraft items. If you write a check, authorize a payment or take a cash withdrawal when there are not enough funds in your checking account, we may pay those items up to the predetermined limit without returning those items back unpaid to the payee. We will charge an overdraft fee of \$32.00 for each item paid.

- There is no charge for this service unless you use it.
- This service is optional and offered to checking accounts upon account opening.
- You may elect to change your participation in our Overdraft Privilege service at any time by notifying First State Bank in writing.
- Overdraft Privilege is not extended to Estate Checking or to accounts that do not qualify.
- Fees are limited to seven overdraft fees per day.

We are not obligated to pay any item presented for payment if your account does not contain sufficient funds. However, rather than automatically returning any insufficient funds item as unpaid, we may pay the item if we consider your account to be in good standing which means at a minimum:

- You are not in default on any loan obligation to First State Bank.
- You bring your account to a positive balance at least once every fifteen (15) calendar days, and
- Your account is not the subject of any legal or administrative order or levy.

We will consider – as a discretionary courtesy or service and not a right of yours nor an obligation on our part – approving your reasonable overdrafts. Overdraft Privilege is not a loan. It is a service that we offer to assist you in managing your finances.

Normally, we will not approve an overdraft for you in excess of your overdraft privilege limit including any overdraft or return item fees. Overdraft or return item fees will reduce the amount of your overdraft privilege limit. We may refuse to pay an overdraft for you at any time, even though we may have previously paid overdrafts for you. You will be notified by mail of any overdrafts paid or returned items that you have; however, we have no obligation to notify you before we pay or return any item. The amount of overdraft or return items fees that you owe us shall be due and payable upon demand. If there is an overdraft paid by us on an account with more than one (1) owner on the signature card, each owner, and agent if applicable, drawing/creating the item creating the overdraft, shall be jointly and severally liable for such overdraft, plus our overdraft or return item fees. You may be able to access your overdraft privilege limit through a teller, ATM, check or Money Card (debit card) transactions or other electronic means.

**Over Your Limit** – If you write checks or authorize other types of payments that put you over your Overdraft Privilege limit, First State Bank may return the check(s) or payments to the payee(s) or merchant (s). In addition, a return item fee of \$32.00 per item will be charged to your account on the next business day. An overdraft notice will be mailed to you. If you become aware of the overdrawn status of your account and make a deposit by 10:00 a.m. on the day that we are processing those items, we may pay those items, providing you bring your account to a positive balance. In addition, an overdraft fee of \$32.00 per item will be charged to your account on the next business day. An overdraft notice will be mailed to you.

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**ATM Cash Withdrawals and Money Card (debit card) Transactions** – If you want First State Bank to authorize and pay overdrafts on ATM cash withdrawals and one-time Money Card (debit card) transactions when you do not have sufficient funds in your checking account, you must Opt-In to this service and sign an Opt-In authorization form. If you do not Opt-In and authorize First State Bank to pay overdrafts for your ATM cash withdrawals and one-time Money Card (debit card) transactions, these types of transactions will not be authorized if there are insufficient funds in your account. You may change your Opt-In status at any time by contacting our Customer Care Center at 1-800-994-2500 or by contacting any First State Bank office to complete a new Opt-In authorization form.

**Limitations** – Available to consumer-owned accounts in good standing for personal or household use. Overdraft Privilege may be suspended or revoked due to lack of repayment. The fees charged for the items paid into overdraft or returned, as well as the amount of the overdraft item(s), will be subtracted from the disclosed overdraft privilege limit. The order in which transactions are received and processed can affect the total amount of overdraft or return item fees incurred by a customer. First State Bank reserves the right to limit Overdraft Privilege service to one account per household and to discontinue this service at any time with prior notice. Please advise First State Bank if you do not wish to have this service available on your account.

**2. Overdraft Transfer Service** – First State Bank savings account, money market account or other checking account

- You must enroll in this service by signing the Automatic Transfer Authorization form.
- Funds will only be transferred once per business day.
- You must have enough funds in your linked account to pay at least one of the checking items in order for the transfer to occur.
- The overdraft transfer fee is \$15.00 per day. This fee is waived for Platinum Relationship Rewards Checking Account customers.
- The overdraft transfer fee will be deducted from the linked account.
- The overdraft transfer will appear on your First State Bank account statements.
- Federal regulation limits the number of withdrawals or transfers that may be made from a savings or money market account, including overdraft transfers. You may make no more than 6 withdrawals and/or transfers per month by preauthorized or automatic transfer, telephone transfer, check, Money Card (debit card), or similar order to third parties.

### PAYMENT OF ITEMS

The law permits us to pay items (such as checks or drafts) drawn on your account in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items that you write or order us to pay.

**Posting Order of Items** – Generally, for each business day, we will in this order:

- Add deposits or credits
- Subtract wire transfers, ATM cash withdrawals, automated transfers completed through Online Banking, or items where First State Bank has already released the funds prior to nightly processing will be paid first.
- Subtract Money Card (debit card) Point of Sale (POS) transactions, loan payments, electronified checks, and applicable fees.
- Subtract automatic transfers
- Subtract checks without a serial number paid in ascending (smallest to largest) order by amount, checks with a serial number will be paid in numerical sequence, and then preauthorized or other debits.

When using the numerical sequence to process check items, the lower number items are paid first. The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item. By paying check items in numerical sequence, our policy attains a reasonable balance between minimizing additional cost to you and paying your more important items. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or drafts without sufficient funds and incurring fees.

**Repaying Overdrafts and Fees** – You will be required to bring your checking account into a positive balance within fifteen (15) calendar days of your overdraft notice. If after fifteen (15) calendar days your account remains in a negative position, we may suspend or revoke your overdraft privilege, close your account, and take appropriate steps to recover funds advanced to cover your overdrafts, as well as the bank's fees.

**How Multiple Overdraft Services are Applied** – For customers who are enrolled in Overdraft Transfer Service and Overdraft Privilege, or Overdraft Transfer Service and Personal Reserve Account, on the same checking account, Overdraft Transfer Service will take precedent over Overdraft Privilege or the Personal Reserve Account.