



# Overdraft Privilege Disclosure

Overdraft Privilege is a service we provide to our checking account customers to cover inadvertent overdrafts. The service is subject to the eligibility criteria and other constraints as explained below.

- **You are NOT required to have this service on your account**-You may opt-out at any time.
- **The payment of overdrafts is not guaranteed**-With Overdraft Privilege we will generally pay your overdraft items up to \$250.00 for all Personal Accounts or \$500.00 for most Business Accounts, however, whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts.
- **You will be charged an overdraft fee for each insufficient item paid into overdraft**-You will be charged our normal overdraft or return item fee, currently \$35.00 for each item that is presented. When more than one overdraft item is presented and paid, multiple overdraft fees may be charged. Both the amount of the overdraft items and all other fees, including but not limited to overdraft fees, are included in this limit.
- **Suspension of Overdraft Privilege**- If you overdraw your account, you must return the account to a positive balance within 30 days, or your Overdraft Privilege will be suspended. Your Overdraft Privilege may be suspended if you fail to meet our eligibility criteria and if we believe you are not managing your account in a responsible manner which may harm you or the Bank.
- **Deposits to Overdrawn Accounts** - All deposits to overdrawn accounts are applied to the negative balance.
- **Closing of Overdrawn Accounts**-Checking accounts that remain overdrawn for 60 consecutive calendar days may be closed and subsequently charged off.
- **Excessive Use** - Overdraft Privilege is not designed to be used as a permanent solution for financial needs. The Bank monitors accounts for excessive use and we may remove Overdraft Privilege if we believe you are not managing your account in a responsible manner which may harm you or the Bank.

**Overdraft Protection Options.** There are other overdraft protection options available to you which may be less costly.

Product/Service	Description	Cost
Transfer from another account	If you have other accounts with us, you can authorize us in advance to transfer the funds needed to cover overdrafts, subject to Regulation D transaction limitations for Savings accounts.	\$5 per transfer
Small Dollar Loan	This product requires you to complete an application and approval and Annual Percentage Rate (APR) are based on your credit worthiness.	APR

**Eligibility Criteria** - No application is required; eligibility is at the discretion of the Bank. You may not be granted Overdraft Privilege if:

- Your account has been open for less than 60 days
- You do not maintain an average balance of \$100 or more in the first 60 days your account is open
- You are more than 30 days past due on any Bank loan or delinquent on any other obligation to the Bank
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding
- You have an outstanding Overdraft Repayment Plan balance
- Your account is being reviewed for fraudulent activity
- The primary account owner is less than 18 years old
- A ChexSystems or other negative indicator has been reported to us
- Your account is classified as inactive
- You have an unresolved prior loss with the Bank
- We do not have a valid address for you

**Transactions Eligible for Overdraft Privilege Coverage:**

Checks	ACH transactions	In-Person withdrawals	ATM*	Everyday Debit Card*
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**\*ATM/Everyday Debit Card Transactions** - Overdraft Privilege will only be available for ATM and everyday debit card transactions if you authorize the Bank to pay those transaction types (see ATM/Debit Card Consent Form). If you authorized Overdraft Privilege for ATM transactions, please verify your balance before initiating an ATM withdrawal.

**Account Types Eligible for Overdraft Privilege:**

Blue Basic Checking	Blue Interest Checking	Blue 50 Interest Checking
Blue Future Checking	Blue Simple Business Checking	Blue Community Checking
Blue Business Checking	Blue Business Interest Checking	Blue Business Analysis Checking

**Overdraft Privilege Opt Out** - If you do not want to have Overdraft Privilege, simply contact us and we will remove this benefit from your account. If you opt-out, you may still be charged our \$35.00 returned item fee. Customers who receive Social Security, federal direct deposit or any other entitlement benefit must opt-out if they do not want the Bank to apply those funds to pay an overdraft.



## Overdraft Privilege Disclosure

**Payment Order of Items** - Items presented for payment may not be processed in the same order as they were received and that order may affect the total fees assessed to your account. Generally, the first items that we pay are ATM withdrawals, debit card transactions, and any checks cashed by our employees or that you have written to us. We then pay any items that were submitted electronically, such as ACH items, preauthorized automatic transfers, telephone-initiated transfers and any other electronic transfers. Finally, we pay the remaining items based on check number order. **NOTE:** Holds placed on your available account balance for pending debit card/electronic transactions, including gasoline, hotel/rental car deposits, etc, may reduce your available balance and cause your account to become overdrawn.

**HOW WE DECIDE TO PAY AN ITEM OR DEBIT.** We use an available balance method to determine if there are sufficient funds in your account to pay an item or debit transaction. The available balance reflects deposits and transactions that have been posted to your account, such as checks you have written, and transactions that have been authorized but not yet posted to your account, including deposit holds and holds on debit card transactions that have been authorized but not yet posted (i.e., preauthorization holds). These pending transactions and holds reduce your available balance. For example, you have \$100 in your account and a pending transaction of \$30. Your available balance is \$70 because the pending \$30 transaction reduces your available account balance.

**HOW WE ASSESS FEES.** If there are insufficient funds to pay a debit transaction or item based on your available balance, we may either: 1) return the debit or item or 2) pay the debit or item at our discretion. We may charge you fees if we return the debit or item or pay the debit or item on your behalf. The bank has also instituted appropriate daily limits on overdraft fees, which may eliminate such fees for smaller transactions that overdraw an account by a de minimis \$ amount, which includes Micro-transactions used as a commercially reasonable fraudulent transaction detection system to aid in the account validation process in accordance with NACHA's WEB Debit Account Validation Rule.

**RETURN ITEM FOR NON-SUFFICIENT FUNDS.** If we do not pay the debit transaction or item on your behalf and return the debit or item, we may charge you non-sufficient funds fees. Pursuant to Nacha Operating Rules and Guidelines and other applicable laws, a debit or item may be presented for payment more than one time. We may charge you non-sufficient funds fees for each resubmission of a debit or re-presentation of an item, which means you may incur multiple non-sufficient funds fees if a debit or item is returned more than one time. For example, you write a check from your account with us. The check is returned for non-sufficient funds, and we may charge you non-sufficient funds fees. The same check is then re-presented to us for payment, and the check is returned again for non-sufficient funds. We may charge you non-sufficient funds fees the second time the check is presented for payment and returned for non-sufficient funds.

**OVERDRAFTS.** If we pay the debit transaction or item on your behalf, you will be responsible for the overdrawn balance, and we may charge you overdraft fees. As discussed above, subsequent pending transactions and holds impact your available balance, which may cause your account to become overdrawn and subject to overdraft fees. In some cases, your debit transactions may be initially approved based on a positive balance, but due to intervening transactions being paid, settles to your account on negative funds, which may cause your account to become overdrawn and subject to overdraft fees.

Additionally, we will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction. In this situation, when the hold ends, the funds held will be added to the available balance in your account. If your account is overdrawn after the held funds are added to the available balance and the transaction is posted to the available balance, an Overdraft Fee may be assessed. For example, you have \$100 in your account. You use your debit card at a gas station and a preauthorization hold of \$60 is placed on your account because the amount of the transaction is not known at the time of authorization even though your gas was only \$50. The authorization hold reduces your available account balance to \$40. You then spend \$50 on groceries. If we pay this debit on your behalf, you will be responsible for paying the overdrawn balance, and we may charge you overdraft fees.

**Financial Education** – The Bank believes that financial literacy and education helps consumers make informed decisions. Awareness of personal financial responsibility allows consumers to realize the benefits of responsible money management, understand the credit process and the availability of help if problems occur. [www.MyMoney.gov](http://www.MyMoney.gov) is the federal government's website for federal financial literacy and education programs, grants and other information. To request a personal financial toolkit, call **1-888-MyMoney**.

**Checking Account Agreement** - Your account agreement describes the duties, obligations, and rights of depositors, authorized signatories and the Bank with regard to your deposit accounts. That account agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. Your account agreement and this disclosure shall be construed so as to minimize conflicts between them.

**Waiver:** The Bank's forbearance from, or delay in, exercising any of the Bank's rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this Overdraft Privilege disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Bank's rights, remedies or privileges.

**Remedy:** You and the Bank agree that the exclusive remedy and forum for all disputes arising out of the Overdraft Privilege or your or Bank's performance there under, except for matters you or Bank take to small claims court, is arbitration by an independent arbitrator pursuant to the applicable rules of the American Arbitration Association, except as prohibited by law.