

Courtesy Pay Notice

The purpose of this document is to inform you about the options available to you in the event sufficient funds do not exist in your checking account to cover a purchase or transaction. When an account has insufficient funds, an NSF fee of \$ 25.00 is charged for every ACH debit item or check that is returned.

We have several ways that transactions can be covered where there are insufficient funds:

- 1) We can set up an Account Transfer from a savings, money market or separate checking account, and funds will be transferred to cover the transaction that would overdraw your checking account. There is a no fee for each transfer on consumer accounts, and a \$5.00 fee on business accounts.
- 2) You can apply for an unsecured line of credit that would be available to cover you when a transaction would overdraw your account. For consumer accounts, there is no annual fee and no transfer fee on funds that are transferred from this line of credit to your checking account to cover any transactions that would overdraw your account. For business accounts, there is no annual fee and a \$5.00 transfer fee on funds that are transferred from this line of credit to your checking account to cover any transactions that would overdraw your account.
- 3) We also have our Courtesy Pay program in which we will strive to pay ACH debit, check, bill pay and recurring debit card items for you when funds are not available in your account as a service to you. When an account has insufficient funds and we pay (cover) an item for you, a \$ 25.00 fee is charged. This is place of, and not in addition to, any NSF fee that otherwise may be due.

In addition to ACH debit, check, bill pay and recurring debit card transactions, we can extend the Overdraft Coverage feature to your everyday debit card and ATM transactions with your consent after reviewing a specific document describing this coverage and opting-in to this service. If you choose to request this service and funds do not exist in your account, we will strive to pay those everyday debit card purchases and ATM transactions. If we do cover one of these transactions for you, you would be charged \$ 25.00 per transaction that overdraws your account which we cover.

Financial institutions are required to operate in accordance with safety and soundness standards and are encouraged to ensure that their account holders have the ability to repay overdrawn balances before covering non-sufficient funds items. Therefore, we have opted to utilize an automated system based on algorithms, or a set of rules, that performs a daily evaluation of all accounts to determine whether the account appears to have the ability to repay an overdrawn balance and, if so, how much.

The software weighs numerous variables, including but not limited to:

- Age of Account
- Deposit Amounts
- Deposit Regularity
- Previous Overdraft Activity and Repayments
- Account Status
- Status of Loan Obligations

We are not obligated to cover any items presented for payment if the account does not have sufficient collected and/or available funds. The automated system sets an overdraft limit based on analysis of your ability to repay, but we reserve the right to pay or return individual transactions in our discretion. In general, however, we strive to pay your items if the system recommends a positive limit. The limit may change as frequently as daily, between a range of \$0 and \$ 1750.00.

A limit of \$0 does not necessarily mean that your transaction will not be paid into overdraft, or that you have been removed from the Overdraft Coverage program. It does substantially increase the likelihood that we will not process such transaction against insufficient funds. However, as long as you are eligible for the overdraft program, the system will continue to evaluate your account each day and may increase the limit above \$0 on any day. Only if you have been removed from program eligibility will the limit not increase above \$0. A limit of \$0 or removal from program eligibility may result in transactions being returned unpaid to merchants or other third parties due to insufficient funds, and also may result in fees being imposed by those third parties. If you have been removed from program eligibility and are later determined to again be eligible for Overdraft Coverage, then you will need to review a specific document describing this coverage and opt-in to the service.

Paying an item into overdraft is discretionary, and we do not guarantee that we will cover (pay) any item presented against insufficient funds. Furthermore, the occurrence of service charges assessed against items presented against the account does not obligate us to pay items in the future and does not obligate us to provide prior written notice of the decision to refuse payment.

If you wish to know your Overdraft Coverage limit, you may contact us. It is important to remember that if we provide the amount of the limit to you, this limit does not equate to your amount of purchasing power. Aside from the discretionary nature of the program, factors such as your changing account balance, posting order of transactions or deposits, or an already-overdrawn balance may impact the usefulness of the limit amount we provide in ascertaining how much you will be able to spend without having a transaction be declined. You should keep careful track of your account balance and activity to avoid overdrafts.

Overdraft Coverage is not a loan product which is designed to be repaid over time. Should a check be submitted, or a transaction be made for funds exceeding what is available in the account, pursuant to the Depositor's Account Agreement, the account holder is responsible for repaying the amount of any overdraft balance and applicable fees immediately. This means you must bring your account to a positive balance immediately should an overdraft situation occur, without notice or demand from the institution. Subsequent deposits will be applied to clear the overdrawn balance.

If you would prefer that we not honor any items when there are not enough funds in the account, you may opt out of the Overdraft Coverage program by contacting us and telling us your preference. Without this discretionary service or some other form of overdraft protection, such as an account transfer or line of credit (which is offered to qualified accounts), any items presented that would overdraw the account may be returned unpaid with any applicable NSF fee charged to the account for each item. This also may result in fees being imposed by merchants or other third parties.

The Depositor's Account Agreement prescribes the duties, obligations and rights of the Depositor, as well as the Authorized Signatories and the institution with regard to the account. It contains important additional information relevant to overdraft, such as our funds availability policy and posting order of transactions. The terms of the Depositor's Account Agreement supersede this overdraft policy in any potential conflict of terms.