

# Overdraft Privilege Service (ODP)

## Have you ever...

- > Made a mistake in your checkbook?
- > Forgotten to record a deposit, purchase or withdrawal?
- > Had to “guess” what transactions a joint owner of the checking account has made?
- > Been denied at a checkout?
- > Had the embarrassment and expense of a returned check?

*We cannot promise or guarantee these things will never happen, but you deserve consideration.*

*Rather than automatically returning insufficient funds items unpaid, we will consider, without obligation on our part, payment of your reasonable overdrafts up to your assigned overdraft privilege limit.*

You do not have to apply for or sign any additional documents for this service. It is already a part of your checking Deposit Account Agreement with us. With some exceptions, most of our checking account types and individual accounts are eligible for this service. See **Ineligible Account Types**, **Eligible Account Types** and **Transactions That May Cause or Create Overdrafts Using Your Overdraft Privilege Limit** in the service policy below.

If you **do not** use the Overdraft Privilege Service, it costs you nothing. “Use” means you initiate insufficient funds transactions.

If you **do** use the Overdraft Privilege Service you **WILL** be charged our customary fees set out in the service policy below.

## Overdraft Privilege Service Policy

It is First State Bank’s (“we, us, or our”) policy to comply with applicable laws, rules and regulations, and to conduct business in accordance with strict safety and soundness standards. A non-sufficient funds (overdraft/negative balance) may result from: A) The payment of checks, electronic funds transfers, or other withdrawal requests you initiate; B) Payments authorized by you; C) The return, unpaid, of items deposited by you; D) Charging your account for our applicable service charges and fees; E) The deposit of items to your account which, according to our Funds Availability Policy, are treated as not yet “available” or “finally paid”. **We are not obligated to pay any item initiated for payment against your account if your account does not contain sufficient collected funds. Rather than automatically returning, unpaid, all non-sufficient funds items that you may have**, if your “eligible account type” has been open for at least thirty (30) days and thereafter you maintain your account in good standing, which includes at least: (A) We reserve the right to require you to make deposits consistent with your past practices, and depositing at least \$400 or more in your account within each thirty (30) day period, (B) You are not in default on any loan obligation to us, (C) We reserve the right to require you to pay your outstanding overdraft (negative) balance, including our fees, immediately or on demand, and (D) Your account is not the subject of any legal or administrative order or levy, such as bankruptcy or a tax lien, **we will consider, without obligation on our part, approving your reasonable overdrafts up to your assigned Overdraft Privilege Limit, including our fees.**

This discretionary\* service will generally be limited to a \$800 overdraft (negative) balance for eligible personal checking account types; or a \$1,500 overdraft (negative) balance for eligible business checking account types. Our normal fees and charges including, without limitation, our non-sufficient funds (NSF) or overdraft (OD) fees; currently **\$30.00** per non-sufficient funds or overdraft item, as set forth in our fee schedule, will be charged for each transaction initiated for payment from your checking account that does not have sufficient collected funds. There is a limit of the total fees we can charge you for overdrawing your account. The limit is \$180 per day. Typically, we will charge our normal NSF/OD fee whether we approve an overdraft item for payment or return it unpaid. In addition, we will charge your account a \$3.00 per day “daily overdraft fee” for personal checking accounts, and a \$5.00 per day “daily overdraft fee” for business checking accounts. Typically, we will charge this “daily overdraft fee” for the sixth and each subsequent consecutive calendar day your account is overdrawn and continues to have a negative (overdraft) balance.

**Our NSF/OD and daily overdraft fees will be included in and count against your assigned Overdraft Privilege Limit** of \$800 or \$1,500. Whether your overdrafts will be paid or not is at our sole discretion and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing as described above, or if you have too many overdrafts. **We may refuse to pay an overdraft for you at any time, even though your account is in good standing and even though we may have previously paid overdrafts for you.** You will be notified by mail of any non-sufficient funds items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdrafts including our fees that you owe us shall be due and payable immediately. 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/presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts including our fees.



**Optional Overdraft Protection Services:** We offer additional overdraft protection services. These include "Transfers" (from another account of yours with us) Overdraft Protection. If you enroll in these optional services, you may save money on the total fees you pay us for overdraft protection services.

**Ineligible Accounts and Limitations:** Available only for eligible checking accounts that are maintained in good standing as defined above. Savings Type Accounts, Money Market Accounts, Public Fund/Charitable Organization Accounts, Certain Trust Accounts and Minor Accounts (not of legal age) are not eligible for this service. We may, in our sole option and discretion, limit the number of your accounts eligible for **Overdraft Privilege** to one account per household and/or one account per taxpayer identification number.

**Eligible Account Types:** The account types that are eligible for **Overdraft Privilege** are: Free Checking; Regular Checking; Personal Checking; Economy Checking; Simple Checking; Interest Checking; Relationship Checking; Charter 50 Checking; Partners Checking; Free Business Checking; Business Checking; Business Interest Checking; elite Checking and Employee Checking.

**Transactions That May Cause or Create Overdrafts Using Your Overdraft Privilege Limit:** NSF transactions initiated for payment against your checking account may be paid by us using your assigned **Overdraft Privilege** Limit, including our fees. Our NSF/OD fee may be imposed for paying, or not paying, overdrafts you create by: Checks; In person (teller) withdrawal; ATM withdrawal; or other electronic means.

**You May Always Opt-Out:** You may choose at any time to not participate in **Overdraft Privilege** by notifying one of our Service Representatives who will explain what this ("Opt Out") means, and the potential consequences, for you.

**If You Need Help:** Of course, overdrafts should not be used to pay ordinary or routine expenses and you should not rely on overdrafts as a means to cover these expenses. **If at any time you feel you need help with your financial obligations please contact one of our Service Representatives at (800)463-7782.**

**\*ALWAYS A DISCRETIONARY SERVICE:** Our Overdraft Privilege Service does not constitute an actual or implied agreement between you and us. Nor does it constitute an actual or implied obligation of or by us. *Our Overdraft Privilege Service represents a purely discretionary courtesy or privilege that we may provide to you from time to time and which may be withdrawn or withheld by us at any time without prior notice or reason or cause.*

