

FIRST BANK

OVERDRAFT DISCLOSURE

The information in this disclosure is intended to help you understand what non-sufficient funds (“NSF”) and overdraft transactions are, the cost associated with these transactions, and the different types of Overdraft Protection services that First Bank offers.

It is important for you to use your checking account responsibly and to never intentionally overdraw your account. It is your responsibility to monitor your account to ensure that you always have sufficient funds on deposit to cover items and other charges and to avoid incurring Overdraft or NSF fees. By maintaining accurate records of your deposits and withdrawals and other debits, you are in the best position to ensure that your account has sufficient funds to cover each item presented for payment against your account. However, we realize that financial shortfalls happen from time to time and we have options available for you. As a benefit to our customers, we offer useful services to cover you in the event that you inadvertently overdraw your checking account.

Terminology:

Your **available balance** is the amount you have in your account at a particular time that is available for immediate withdrawals or to cover other debit items. Your available balance also is the balance used to determine whether your account has sufficient funds to pay for a transaction without it being deemed an overdraft. The available balance may not be the same as your current or ledger balance. Your available balance reflects pending transactions that the Bank is aware of (such as debit card purchases and electronic transactions that have been authorized but which have not yet posted to your account). See **Important Information Regarding your Available Balance** for additional information and how you can monitor your available balance.

Your **current or ledger balance** is your account balance on the Bank’s books for all transactions settled up to that point by posting to (i.e. clearing) your account. The ending balance on your periodic statement is the current or ledger balance for your account as of the end of the business day of your statement date. The daily balance summary section of your periodic statement lists the end of day current or ledger balance for each day in the statement period after all transaction activity posted to your account on that day.

An **NSF (non-sufficient funds) item** occurs when a transaction (such as a check or a preauthorized transfer) is presented for payment and the amount of the transaction exceeds your available balance and we decline to pay the item. Merchants may charge you fees if the transaction are returned to them unpaid. Some merchants may attempt to collect payment by presenting the item more than one time. This process is called re-presentation. We cannot control the number of times an item is re-presented.

Business and non-personal accounts: If an item or transaction is presented for payment from your account and the transaction exceeds your available balance, we may return the item unpaid and you will be assessed an NSF fee by the Bank. An NSF item may be presented to us multiple times and you understand that we do not monitor or control the number of instances a transaction is presented for payment. You understand that we may charge you an NSF fee for each time a payment is presented if your available balance is insufficient to pay the item, regardless of the number of times the payment is presented.

Consumer and personal accounts: We do not charge an NSF fee when we return an item unpaid.

An **overdraft** is an item paid against a negative available balance. We may, at our discretion, pay or decline to pay transactions which would overdraw your account. You understand that we may charge you an Overdraft fee for paying an item against a negative balance, and we may use subsequent deposits, including direct deposits or social security or other government benefits, to cover overdrafts and overdraft fees. For consumer accounts, ATM and one-time point of sale debit card transactions will not be authorized as overdrafts unless you affirmatively “opt in”. If an ATM or one-time point of sale transaction is originally authorized against a positive available balance but due to intervening transactions the item clears at a later time against a negative balance the, item will be paid and your account will not be charged an Overdraft fee. **See Transactions Eligible for Overdraft Privilege.**

Overdraft Options:

The various forms of Overdraft Protection that we offer are listed below and if you choose to have more than one of these associated with your account then they will be utilized in the order that they are listed below.

Transfer from another account - If you have other accounts with us, you can authorize us to transfer the funds needed to cover your overdraft with signed documentation. This authorization is known as “Dynamic Transfer” and is available for transfer of funds from a checking, savings, money market account, or open-end line of credit to cover your overdraft. Savings and money market transaction limitations may apply.

Line of credit - Ready Reserve is a separate line of credit that is linked to your checking account to cover overdrafts. This service requires approval of a credit application. The amount of the line of credit is based on your credit worthiness.

Overdraft Privilege - Overdraft Privilege is a deposit service we add to your checking account to cover inadvertent overdrafts, subject to the eligibility criteria as explained below. With Overdraft Privilege we will strive to pay your overdraft items; however, whether your overdrafts will be paid is discretionary and we reserve the right not to pay. When more than one item is presented and paid, multiple overdraft fees may be charged.

Our decision to pay or return an item drawn on non-sufficient funds will be based on account handling and may include, but are not limited to, the following criteria: average account balance, recent NSF activity, age of account, number and amount of deposits, repayment patterns. All deposits to overdrawn accounts are applied to the negative balance first.

Eligibility - No application is required for Overdraft Privilege; eligibility is at the sole discretion of the Bank. The account types that are not eligible for Overdraft Privilege are listed below. We reserve the right to deem certain accounts as non-eligible based on the nature of the account relationship (e.g. Estate accounts, Rep Payee accounts) rather than based on the account type.

Non-Eligible Account Types

- Health Savings Accounts (HSA)
- IOLTA Accounts
- Money Market Accounts

Suspension/Revocation - Overdraft Privilege may be suspended or permanently removed from your account at any time at the Bank’s discretion including, but not limited to, for any of the following reasons:

- Your account type is not eligible
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding
- Your account is being reviewed for fraudulent activity or transactions
- A ChexSystems or any 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
- We believe you are not managing your account in a responsible manner which may harm you or us

Transactions Eligible for Overdraft Privilege - Overdraft Privilege will be available on all eligible accounts for all checks written and other transactions made using your checking account number (excluding in person withdrawals), ACH transactions, preauthorized automatic transfers, internet banking, telephone banking and automatic bill payments as well as recurring debit card payments.

For Consumer Accounts, Overdraft Privilege **will not** be available for ATM and everyday debit card transactions (one-time debit card point of sale purchases) **unless** you have previously authorized the Bank to do so by affirmatively opting in. You may opt in or out of Overdraft Privilege for ATM and everyday debit card transactions at any time by calling Customer Support at 1-866-792-4357, or by calling or visiting any of our branch locations. If you have consented to Overdraft Privilege for ATM transactions, please verify your balance before initiating an ATM cash withdrawal. All overdrafts will be subject to an overdraft fee for each withdrawal until the account returns to a positive balance.

Business Accounts do not require affirmative opt-in in order for the Bank to pay and charge for overdraft ATM and everyday debit card transactions and therefore these types of transactions are eligible for Overdraft Privilege coverage.

Overdraft Privilege – Declining the Service - If you do not want to have Overdraft Privilege coverage for any transaction type and you would like for us to remove this benefit from your account all together, you may decline the service by contacting Customer Support at 1-866-792-4357, or by calling or visiting any of our branch locations. It is important for you to consider that you are instructing us to return, unpaid, all items presented against non-sufficient funds. For business

and non-personal account customers, if you decline the service, you will be charged a non-sufficient funds item fee for each item returned unpaid. ATM and one-time debit card transactions are not subject to the non-sufficient fund fee as these transactions will not be approved if the available balance is insufficient at the time of the authorization request.

Customers who receive a Social Security, direct deposit, or any other governmental benefit must decline the service if they do not want the Bank to apply those funds to pay an overdraft.

Funds Availability – Knowing when you receive credit for funds deposited into your checking account and when they are available for withdrawal is essential to avoid unintended overdrafts. Refer to our Funds Availability disclosure for those terms. Remember, an item may be returned even after the funds from the deposit are made available to you for withdrawal. In that case, we will reverse the credit of that returned item.

Important Information Regarding your Available Balance – Keeping track of your available balance is essential to avoid unintended overdrafts. You can review your balance in a number of ways including reviewing your balance online, accessing your account information by phone, contacting customer support or visiting a branch. You may also utilize digital banking to establish balance or transaction alerts that can be delivered by email, text message, or push notification to your mobile device to monitor your available balance.

It remains very important to keep records of all payments you've authorized from your account. While authorization holds may help track your debit card purchases and temporarily reserve the funds before they post to your account, we have no record of outstanding checks or ACH transactions you've authorized that have not yet been presented.

NOTE: Debit card authorization holds affect the availability of funds by reducing your available balance. These authorizations include transactions submitted by merchants for authorization but not yet submitted for final processing as well as things such as hotel and rental car deposits. Authorized holds are deducted from the funds you have available to cover any outstanding checks, ACH transactions or other withdrawals drawn on your account and may cause your account to become overdrawn if the available balance in the account is not sufficient to cover all pending transaction when transactions post during nightly processing. While your available balance is presented in online banking, your bank statements will always reflect the current or ledger balance on a given day and not the available balance that is used in the pay or return decision process.

Payment Types - There are a number of ways that you may initiate transactions and payments from your account, including but not limited to, check transactions, ACH (Automated Clearing House) transactions, and debit card transactions. Depending on the payment type selected, payments are processed on different systems and may take more or less time to be presented for posting to your account. Keeping track of your checks written and the timing of any preauthorized payments is essential in helping you know what other transactions may post to your account to affect your actual balance.

Order in Which Items Post - The order in which items are received and processed (posting order) is important if there is not enough money in your account to pay all items presented. The posting order can affect the number of items overdrawn or returned unpaid, as well as the amount of the fees you may have to pay. Items officially post during evening (i.e. after business hours) processing. Posting an item affects your current balance. The current balance is the beginning of the day balance after the prior evening's posting. The available balance is the amount you have in your account at a particular time that is available for immediate withdrawals or to cover other debit items. The difference between the current balance and the available balance is the result of pending activity that we are aware of that has not yet posted to the account (example, any "pending" deposits, checks, transfers and withdrawals or holds on your account). Pending items are those debits and credits we have received, but have not yet posted.

We post items in the evening on each business day. Therefore, funds from deposits made after close of business on Friday may not be available to cover purchases you make by debit card over the weekend. Items post in order of their transaction type or category. The transaction types are listed below in the order in which they post. Items in the first numbered transaction type post first; items in the 10th numbered transaction type post last (Some transaction type categories may include more than one transaction code). Within its applicable transaction type and codes, items with a serial number, such as checks and some ACH items, post in ascending serial number order; other items without a serial number post in low-to-high dollar amount order. Note that items that are rejected during nightly processing will be decisioned and posted to the account along with the associated fees, such as overdraft or NSF fees, on the morning of the next business day prior to the current business day's processing order.

1. Internal credit transfers: credit transfers you make, either online, by ATM or by telephone, from one of your accounts at the Bank to another, your deposits and other credit transactions (such as ACH and wire credit

transfers, teller credited items and ATM deposits), and credit transfers made by the Bank (such as corrections and fee reversals).

2. System generated interest transfers.
3. Wire transfers.
4. Priority debit transactions: over the counter withdrawals, transactions you initiate with your ATM or debit card that are authorized by the Bank at the time of the transaction based on your account having available funds sufficient to cover the transaction, adjustments and debits used to close your account.
5. Teller-cashed checks, teller-initiated debits and charge-backs: teller-cashed checks are checks you write that the payee cashes with a teller; charge-backs are items you deposit to your account that are subsequently returned by the paying bank and "charged-back" to your account.
6. Debit transactions resulting from credit reversals made by the Bank.
7. Internal debit transactions: debit transfers you make, either online, by telephone, automatic transfer or ATM, from one of your accounts at the Bank to another.
8. All other debits: debits you initiate or that you have pre-authorized, including ACH debits and checks.
9. Bank debits for fees, services and other account charges.
10. Cash Management sweeps (for select business accounts only).

Fees - We will charge you an Overdraft fee of up to \$36 each time we pay an overdraft. If your account's available balance is overdrawn by less than \$5.00 at the end of daily processing, the account will not be charged an Overdraft Fee.

For business and non-personal accounts, any transaction drawn on your account (not including ATM or everyday debit card transaction) that we return unpaid due to non-sufficient fund (NSF) in your account will result in an NSF fee of up to \$36. Consumer account products are not subject to NSF fees.

The Bank has established a daily limit to the total number of combined Overdraft and NSF Item Fees of 5 per day, or a total of \$180.00.

Also, for business and non-personal accounts, if your account is overdrawn for seven consecutive business days, your account will be charged a Negative Balance fee of \$36. If your account does become overdrawn and has a negative balance, it is important that you bring your account positive as soon as possible to avoid paying additional fees.

Excessive Use - We monitor accounts for chronic or excessive use. If you overdraw your account more than six times in a rolling twelve-month period you will be contacted by mail, periodic statements or telephone to discuss alternatives and/or continued use of Overdraft Privilege.

Financial Education - The Bank believes that financial literacy and education helps consumers make informed decisions. Heightened awareness of personal financial responsibility helps consumers realize the benefits of responsible money management, understanding the credit process and the availability of help if problems occur. www.MyMoney.gov is the federal government's website that serves as the one stop shop for federal financial literacy and education programs, grants and other information.

Account Agreement - Your account agreement (also referred to as the "Terms and Conditions") 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.

If you have any questions, please call Customer Support toll-free at 1-866-792-4357.