



First State Bank Overdraft Services Disclosure

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

1. Bounce Protection Service
2. Overdraft Transfer Service

1. **BOUNCE PROTECTION SERVICE**- First State Bank offers an overdraft service called Bounce Protection and is available for qualifying, checking accounts that are in good standing with the bank. This service may, at our discretion, provide coverage up to the following amounts for your overdraft items per the limits defined below:

- \$500 for qualifying consumer checking accounts*
- \$2,500 for qualifying business checking accounts*

*Bounce Protection Service is not activated until the account has been open for thirty (30) calendar days and has kept a positive balance during that time.

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 \$35.00 for each item paid.

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

Good Standing Requirement - 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 nonsufficient 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 twenty-eight (28) 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. Bounce Protection 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 Bounce Protection limit including any overdraft or return item fees. Overdraft or return item fees will reduce the amount of your Bounce Protection 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 Bounce Protection limit through a teller, ATM, check or 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 Bounce Protection 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 \$35.00 will be charged to your account on the next business day for each time an item is presented and returned. 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 \$35.00 will be charged to your account on the next business day. An overdraft notice will be mailed to you.

ATM Cash Withdrawals and Debit Card Transactions on Consumer-Owned Accounts for Personal or Household Use – If you want First State Bank to authorize and pay overdrafts on ATM cash withdrawals and one-time 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 debit card transactions, these types of transactions will not be authorized if there are nonsufficient funds in your account. You may change your Opt-In status at any time by contacting us at your local branch or 1-800-994-2500 to complete a new Opt-In authorization form.

Limitations – Bounce Protection 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 Bounce Protection 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 Bounce Protection 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.



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2. OVERDRAFT TRANSFER SERVICE – This service automatically transfers funds to your checking account from a linked 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.
- The overdraft transfer fee will be deducted from the linked account.
- The overdraft transfer will appear on your First State Bank account statements.

PAYMENT OF ITEMS

Please refer to the Terms and Conditions provided at account opening for the details on the order in which items are paid and the impact on your account balance.

NONSUFFICIENT 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 debit card transactions.

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

- A \$35.00 return item fee will be charged to your account each time your check or other debit is presented and returned unpaid resulting in multiple fees per item.
- The payee or merchant may resubmit your check or other debit for payment.
- 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.

REPAYING OVERDRAFTS AND FEES – You will be required to bring your checking account into a positive balance within twenty-eight (28) calendar days of your first overdraft. If after twenty-eight (28) calendar days your account remains in a negative position, we may suspend or revoke your Bounce Protection, close your account, and take appropriate steps to recover funds advanced to cover your overdrafts, as well as the bank's fees.

REACTIVATION OF BOUNCE PROTECTION SERVICE – If your Bounce Protection Service was not activated due to overdrafts during the first thirty (30) days of account opening due to a negative balance, suspended or revoked due to lack of repayment, you may request to reactivate after 60 consecutive days of holding a positive balance in that checking account. First State Bank reserves the right to decline this request based on previous account history and inability to repay. To request reactivation, contact us at your local branch or 1-800-994-2500 to complete a new Opt-In authorization form.

HOW MULTIPLE OVERDRAFT SERVICES ARE APPLIED – For customers who are enrolled in Overdraft Transfer Service and Bounce Protection, on the same checking account, Overdraft Transfer Service will take precedent over Bounce Protection.