

## Overdraft Privilege Disclosure

### Customer Policy

There are several ways your account can become overdrawn, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you (i.e. signature-based point of sale transactions); (3) the return of unpaid items deposited by you; (4) bank service charges; or (5) the deposit of items which, according to the bank's Funds Availability Policy, are treated as not yet available or finally paid.

While we are not obligated to pay any item presented for payment if your account does not contain enough money, as long as you maintain your account in "good standing", we may approve your overdraft items within your current available Overdraft Privilege as a non-contractual courtesy. For overdraft privilege considerations, your account is in "good standing" if you (1) deposit enough money to bring your account to a positive end-of-day balance at least once every 35 calendar days (including the payment of all bank fees and charges); (2) have no legal orders, levies, liens, active bankruptcy or unpaid charged off accounts with us.

In the normal course of business, items presented for deposit to and/or payment from an account during a business day are attempted to be posted to the account at the end of that business day. All deposits/credits are posted to the account before requests for withdrawals/debits. Items are sorted for posting by transaction code, serial number (if available), and finally amount. Generally, debit transactions in which cash or credit has already been issued will be posted first. These include, but are not limited to, teller line transactions, wire transfers, cashed checks, and bank fees. Electronic transactions are generally posted next, and checks are posted after that in serial number order. If there are multiple items within a transaction code presented against an account, and there is no serial number to order them by, then the similar items will be paid in order of lowest amount to highest. All pending items will be paid according to the bank's posting order as there are sufficient funds in that account. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Please be aware that no posting order is neutral to all parties. The order in which we pay your items may create multiple overdraft items in a single banking day, and you will be charged our NSF Overdraft Item Fee of \$32 for each overdraft item paid. In the unlikely event that you experience an overdraft, we strive to pay the item. To facilitate this, a level of Overdraft Protection will be assigned to your account. The amount of the protection is determined by the age of the account, deposit activity, and the good standing conditions listed above. Overdraft Privilege is subject to change and is not a guarantee of payment. Normally, we will not approve an overdraft for you in excess of your assigned privilege level. There is a limit of \$192 per day on the total NSF Overdraft item fees charged to consumer accounts.

You may opt out of the privilege at any time, but you are responsible for any overdrawn balances at the time of opting out.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we may not pay overdraft items if your account is not in good standing as defined above. If, based on review of your account management, it is determined that Overdraft Privilege is being used improperly, we may not pay overdraft items on your account. You will be charged

an NSF Returned Item Fee of \$32 for each item returned. A single item may incur more than one charge if that item is presented for payment multiple times.

We will notify you promptly 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 overdraft including our NSF Overdraft Item Fee of \$32 and/or an NSF Returned Item Fee of \$32 that you owe us is due and payable upon demand; even if we do not ask you for payment, you must repay us no later than 35 calendar days after the creation of the overdraft. If there is an overdraft on an account with more than one owner on the signature card, each owner and agent, if applicable, is jointly and severally liable for all overdrafts including all fees charged.

Overdraft Privilege should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconciling your checkbook regularly, and managing your finances responsibly. To aid you in this, your account information is readily available through our online and mobile banking applications. When you ask for your account balance, please remember the amount we communicate/display does not include your overdraft privilege.

Please note that your Overdraft Privilege may be available for items created by checks and other transactions made using your checking account number, such as teller withdrawal, an automatic payment (ACH transaction, or automatic bill payment and recurring debit card payment). Also, at your request, we may authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your Overdraft Privilege.

If you would like to have Overdraft Privilege removed from your account, or if you have questions about this service, please call (855)855-3268.

**LIMITATIONS:** Overdraft Privilege is a non-contractual courtesy that is available to checking accounts in good standing. Farmers Bank & Trust reserves the right to suspend, revoke, or discontinue this service without prior notice. If your Overdraft Privilege is suspended, unless we notify you otherwise or you request this service be removed from your account, your Overdraft Privilege may be restored by the bank to cover overdrafts again once the cause of the suspension has been cured.