

## Bank Of Springfield - Overdraft Privilege Disclosure

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**Overdraft Privilege (ODP) is a service we provide to our retail checking account customers to cover inadvertent overdrafts. The service is subject to the eligibility criteria and other constraints as explained below.**

### **Overdraft Privilege Overview:**

- The payment of overdrafts is NOT guaranteed.
- You are NOT required to have this service on your account - you may opt-out at any time. You will be charged a Paid Item Overdraft Fee for each insufficient item paid into overdraft.
- If you overdraw your account, you MUST return the account to a positive balance within 30 days, or your ODP may be suspended.
- There are other overdraft protection options available to you which may be less costly. We encourage you to speak with us about the alternatives we offer.
- Good account management is the best way to know how much money you have and prevent overdrafts. This can be done by recording and tracking all transactions or using our mobile or internet banking services to monitor your account balance.

### **Overdraft Protection Options:**

<b>Product/Service</b>	<b>Description</b>	<b>Cost</b>
Transfer from another account	If you have other accounts with us, you can authorize us in advance to transfer the funds needed to cover overdrafts	\$5.00 per transfer
Instant Check Line of Credit	This product requires you to complete an application and approval.	See Application for APR and product details
Overdraft Privilege	See description below	\$30.00 per item

Overdraft Privilege - ODP is a service we add to your checking account to cover inadvertent overdrafts, subject to the eligibility criteria as explained below. With ODP we will generally pay your overdraft items up to \$700, however, whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts. You will be charged a Paid Item Overdraft Fee or Return Item NSF Fee currently up to \$30 for each item that is presented because the balance in your account is not sufficient to cover the item(s). When more than one overdraft item is presented and paid, multiple overdraft fees may be charged. Both the amount of the overdraft items and all other fees, including but not limited to Paid Item Overdraft Fees, are included in the negative balance and will reduce your available overdraft limit. If you also have an instant check line of credit with available credit, we may transfer funds into your overdrawn account from the instant check line of credit first. If there are not enough funds in your instant check line of credit to cover the entire amount of the item(s) presented, we may also use your ODP funds to pay the item(s), which may result in multiple fees being assessed for one item (the Instant Check Advance Fee and the Paid Item Overdraft Fee). All deposits to overdrawn accounts are applied to the negative balance. In an effort to deter long-term overdrawn accounts, a \$5.00 Daily Overdraft Fee will be charged each day if the account is not made positive within 30 days. Checking accounts that remain overdrawn for 45 consecutive calendar days may be closed.

**Representation of Unpaid Transaction**- If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money available in your account and we decide to decline the item/transaction, you will be charged a Returned Item NSF Fee for returning the payment. Be aware that an item or payment may incur more than one Returned Item NSF Fee if it is presented more than once. For example, if an ACH or other item is presented for payment and declined due to insufficient funds and then represented for payment by the merchant and declined again due to insufficient funds, we reserve the right to charge a Returned Item Fee for both the original presentment and the representation. We do not monitor or control the number of times a transaction is presented for payment by a merchant. You will be charged a Returned Item Fee each time a payment is presented if the amount of money available in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented. If on representation of the item or payment the balance in your account is sufficient to cover the item or payment, then we may pay the item, and if the payments cause an overdraft, then we may charge a Paid Item Overdraft Fee for each item each time it is presented.

**Eligibility Criteria** - No application is required; eligibility is at the discretion of the Bank. You may not be granted ODP if:

- Your account relationship has been open for less than 30 days
- 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
- You have an outstanding Overdraft Repayment Plan balance
- Your account is being reviewed for fraudulent activity
- The primary account owner is less than 18 years old
- A negative indicator has been reported to us
- You have an unresolved prior loss with the Bank
- We do not have a valid address for you

**Suspension/Removal of ODP** - You may be suspended or be removed from ODP if:

- You do not bring your account to a positive balance within 30 days of becoming overdrawn.
- You fail to meet the eligibility criteria.
- If you meet all of the criteria above, we may still remove ODP if we believe you are not managing your account in a responsible manner which may harm you or the Bank.
- The bank can cancel the availability of this product at any time with appropriate notification.

**Exclusion from Initial Offering** - Accounts that are overdrawn at the initial activation at 30 days or not funded within 30 days may be excluded from ODP.

**Customer Communication**: The ODP benefit will not be available immediately. A letter will be sent to consumers when ODP has been added to their account.

### Transactions Eligible for ODP Coverage:

- Checks
- Internet banking
- ATM Transactions\*
- ACH transactions
- Preauthorized automatic transfers
- Debit Card Transactions\*
- In-person withdrawals
- Telephone banking

*\*ODP will not be available for ATM and everyday debit card transactions unless you authorize the Bank to pay those transaction types (see ATM/Debit Card Consent Form). If you authorized ODP for ATM and everyday debit card transactions, please verify your account balance before initiating an ATM withdrawal or a purchase at a point of sale (POS).*

### Example that Illustrates how fees are assessed on accounts with ODP Coverage:

Current and available balance are both \$100, and you use your debit card to make a \$70 purchase. A hold of \$70 is placed on your account once the purchase is authorized which reduces your available balance to \$30 while your current balance remains at \$100. Before the merchant sends the charge to the bank for processing you withdraw \$50 from an ATM. Your available balance is now negative \$20, while your current balance remains \$100.

After the close of the business day when all transactions are processed, the ATM cash withdrawal will post followed by the debit card transaction and a revised current balance is calculated. Now you may be assessed a \$30 Paid Item Overdraft Fee for the payment of the debit card transaction. This fee may be deducted from your account, which now leaves your account overdrawn \$50.

**Overdraft Privilege Opt Out** - If you do not want to have ODP, simply contact us and we will provide you a opt out form to remove this benefit from your account. There is no additional cost for ODP. By opting out you are instructing us to return unpaid items presented against insufficient funds. If you opt-out, you will be charged our \$30 Returned Item NSF Fee. Customers who receive Social Security, federal direct deposit, or any other entitlement benefit must opt-out if they do not want the Bank to apply those funds to pay an overdraft.

**Payment Order of Items** - Items presented for payment may not be processed in the order they occur. The order in which items are presented may affect the total fees incurred and more than one Paid Item Overdraft Fee maybe charged per day depending on the number of checks presented, transactions done, or withdrawals made from your account.

### Temporary Debit Authorizations Hold Affects your Account Balance.

NOTE: On debit card/electronic transactions, merchants may request a temporary hold on your account for a specific sum of money when the merchant does not know the exact amount of the purchase at the time the transaction is authorized. Some common transactions where this occurs involves purchase of gasoline, hotel stays, rental cars, etc. When this happens, the hold may reduce your available balance and cause your account to become overdrawn and you may be charged a Paid Item Overdraft Fee.

**Excessive Use** - ODP is not designed to be used as a permanent solution for financial needs but to protect you from occasional mistakes. We monitor consumer accounts for chronic or excessive overdraft use. If you have more than six overdraft occasions in a rolling twelve-month period, you will be notified with less costly alternatives.

**Financial Education** - The Bank believes that financial literacy and education helps consumers make informed decisions. Awareness of personal financial responsibility allows consumers to realize the benefits of responsible money management, understand the credit process, and the availability of help if problems occur. [www.mymoney.gov](http://www.mymoney.gov) is the federal government's website for federal financial literacy and education programs, grants, and other information. Call 1-800-FED-INFO or email OFE@treasury.gov if you have a question about federal agencies, programs, benefits, or services related to financial literacy and education.

**Checking Account Agreement** - Your account agreement 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 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 ODP 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.

**Remedy:** You and the Bank agree that the exclusive remedy and forum for all disputes arising out of the Overdraft Privilege or your or the Bank's performance there under, except for matters you or the Bank take to small claims court, is arbitration by an independent arbitrator pursuant to the applicable rules of the American Arbitration Association, except as prohibited by law.

**Effective Date** - All information listed in this disclosure is effective upon opening the account.