



## What You Need to Know About Overdrafts and Overdraft Fees

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account.
2. We also offer overdraft protection plans, such as a link to a savings account, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our standard overdraft practices.

### WHAT ARE THE STANDARD OVERDRAFT PRACTICES THAT COME WITH MY ACCOUNT?

- We do authorize and pay overdrafts for the following types of transactions: Checks and other transactions made using your checking account number Automatic bill payments
- We do not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):
  - ATM transactions
  - Everyday debit card transactions
- We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.
- If we do not authorize and pay an overdraft your transaction will be declined.

### WHAT FEES WILL I BE CHARGED IF AMERICAN STATE BANK PAYS MY OVERDRAFT?

#### Under our standard overdraft practices

- We will charge you a fee of up to \$35.00 each time we pay an overdraft.
- Also, we will charge an additional \$15.00 fee per account cycle if the account remains overdrawn for one business day in the course of a statement cycle.
- There is a daily maximum amount of \$210.00 that we will charge you for overdrawing your account.
- You may choose at any time not to participate in Overdraft Privilege Service by notifying one of our Personal Bankers who will explain how not to participate, or discontinue participation of the Overdraft Privilege Service.

#### Please check one:

- I DO NOT** want American State Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.
- I WANT** American State Bank to authorize and pay overdraft(s) on my ATM and everyday debit card transactions.  
I understand that fees will apply.

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**Printed Name**

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**Signature**

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**Date:**

**Account Number:**



## Overdraft Privilege Service

**American State Bank offers checking account customers Overdraft Privilege Services as outlined below. If you would like to authorize us to pay overdrafts up to certain limits (and incur overdraft fees), please select the “choose to participate” box on the reverse side of this form AND the “What You Need to Know About Overdrafts and Overdraft Fees.” If you prefer not to participate and have overdraft transactions declined, please check the “Choose NOT to participate.” Whether you choose to participate or not, you must sign and return both forms to an American State Bank branch.**

It is the policy of American State Bank (“we,” “us” or “our”) to comply with applicable laws, rules and regulations, and to conduct business in accordance with strict safety and soundness standards. Rather than automatically returning any unpaid, **Non-Sufficient Funds (NSF)** transaction(s) that you may incur, we offer a discretionary **Overdraft Privilege Service**. In the event your **Eligible Account Type** has been open for at least thirty (30) days and is in **Good Standing** with us, we will consider, without obligation on our part, payment of any NSF transaction(s) (“Overdraft”) up to an **Assigned Overdraft Privilege Limit**, including our fees. We are not obligated to pay any item initiated for payment against your account if your account does not contain sufficient collected funds. We reserve the right to require you to pay your outstanding overdraft (negative balance), including our fees, immediately or upon demand.

The Overdraft Privilege Service is discretionary and you have the right to choose if you would like to participate, or not participate, in the Overdraft Privilege Service (so long as your account is an Eligible Account Type). If you do not use the Overdraft Privilege Service, there is no charge.

If you chose to participate in the Overdraft Privilege Service, your account will be subject to the following Assigned Overdraft Privilege Limit (or any additional limit determined):

- Personal Eligible Account Types: \$500.00 Overdraft Limit
- Business Eligible Account Types: \$1,000.00 Overdraft Limit

Our normal fees and charges will apply including, without limitation: **The Overdraft fee applies to overdrafts created by check, ATM or inperson withdrawal, or other electronic means, as applicable**

<b>Non-Sufficient or Overdraft Fee:</b>	<b>Non-Sufficient Funds’ (NSF) Fee</b> Each Transaction \$35.00	<b>Overdraft* Fee</b> Each Transaction \$35.00
A \$15.00 Overdraft Fee will be assessed any statement period in which your account is overdrawn.		
<b>Maximum</b> NSF Item Fee or Overdraft Item Fee amount charged on a consumer account per day is \$210.00.		
* <b>Non-Sufficient Funds Fee, Overdraft Item Fee or Overdraft Fee</b> on an account may apply to checks, in-person (teller) withdrawals, sweeps, drafts, electronic checks, ACH items, and/or funds transfers. Also applicable are ATM Withdrawals and/or everyday debit card transactions provided you have chosen to “Opt-in” authorizing the Bank to pay overdrafts on your ATM and every day debit card transactions.		
<u>No NSF Item fee or Overdraft Item fee</u> is charged on a consumer account if the resulting balance is overdrawn less than or equal to \$10.00.		

Our fees for NSF transaction(s), Overdraft and Daily Overdraft will be included in and count against your Assigned Overdraft Privilege Limit of \$500.00 or \$1,000.00 (or any additional limit determined). Whether your NSF transaction(s) will be paid is at our sole discretion and we reserve the right to refuse payment. For example, we typically do not pay NSF transaction(s) if your account is not in Good Standing as described herein, or if your NSF transaction(s) or Overdraft(s) volume is too high. We may refuse to pay any NSF transaction(s) for you at any time, even though your account is in good standing and even though we have previously paid NSF transaction(s) for you. You will be notified by mail of any NSF transaction(s) paid or returned that you may have incurred; however, we have no obligation to notify you before we pay or return any NSF transaction(s). The amount of any NSF transaction(s), including our fees, shall be due and payable immediately. If there is a NSF transaction(s) 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 NSF transaction(s), shall be jointly and severally liable for such NSF transaction(s), including our fees.

- **Optional Overdraft Protection Service:** The Bank offers an additional overdraft protection service that you may request. This service is a “Transfer Overdraft Protection” from another account of yours with the Bank. If you have additional accounts with the Bank and elect the Transfer Overdraft Protection Service, you may save money on the total fee(s) you would pay the Bank for the Overdraft Privilege Service.
- **Ineligible Accounts and Limitations:** Savings Accounts, Money Market Account(s), Public Fund/Charitable Organization Account(s), Certain Trust Account(s) and Minor Account(s) (not of legal age) are not eligible for Overdraft Privilege Service. The Bank may, in our sole discretion, limit the number of your account(s) eligible for Overdraft Privilege Service to one (1) account per household and/or one (1) account per taxpayer identification number.
- **Eligible Transaction Types:** The account types that are eligible for Overdraft Privilege Service are: Personal/Regular Checking Accounts and Business Checking accounts.
- **Transaction Types:** NSF transaction(s) initiated for payment against your account may be paid by the Bank using your assigned Overdraft Privilege Limit, including the Bank’s fees. Our fee for NSF transaction(s) may be imposed for paying, or not paying, overdrafts you create by check, in-person (teller) withdrawals, sweeps, drafts, electronic checks, ACH items, and/or funds transfers. Also applicable are ATM withdrawals and/or everyday debit card transactions provided you have chosen to “Opt-In” authorizing the Bank to pay overdrafts on your ATM and every day debit card transactions. Transactions are paid in the following order: 1) debit card, 2) ACH, 3) a check processed in person at American State Bank location; and 4) all other in check number order.
- **You May Always Choose NOT to Participate:** You may choose at any time not to participate in Overdraft Privilege Service by notifying one of our Personal Bankers who will explain how not to participate, or discontinue participation of the Overdraft Privilege Service.
- **Non-Sufficient Funds:** A transaction presented for payment on your account and there are not sufficient funds to pay the transaction.
- **Overdraft:** Payment of a NSF transaction would result in an overdraft or negative balance in your account resulting from A) the payment of checks, electronic funds transfers, or other withdrawal requests you initiate; B) Payments authorized by you; C) Items deposited by you returned unpaid; D) Charging your account for our applicable service charges and fees; and/or E) The deposit of items into your account which, according to our Funds Availability Policy, are treated as not yet “available” or “finally paid.”
- **Good Standing:** An account open for at least thirty (30) days and A) You continue to make deposits consistent with your past practices, and deposit at least \$400.00 or more in your account within each thirty (30) day period; B) You are not in default on any loan obligation(s) to us; and C) Your account is not the subject of any legal or administrative order or levy, such as bankruptcy or a tax lien.
- **ALWAYS A DISCRETIONARY SERVICE: Our Overdraft Privilege Service does not constitute an actual or implied agreement between you and the Bank. Nor does it constitute an actual or implied obligation of or by the Bank. Our Overdraft Privilege Service represents a purely discretionary courtesy or privilege that the Bank may provide to you from time to time and which may be withdrawn or withheld by the Bank at any time without prior notice, reason or cause. The Overdraft Privilege Service is not a line of credit.**

• **If You Need Help:** *NSF Transaction(s) should not be used to pay ordinary or routine expenses and you should not rely on an Overdraft 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 Personal Bankers at any of our locations. You may also contact Consumer Credit, Credit Counseling Professionals, at 1.800.396.2227 or a list of financial counselors are available on their website [www.consumercredit.com](http://www.consumercredit.com).*

- I choose to participate** in the discretionary Overdraft Privilege Service and agree to the terms and conditions stated within this agreement. By choosing to participate, I understand Overdraft Privilege Service will not become effective until my account has been opened for at least thirty (30) days and also meets the other criteria as defined by “Good Standing.”
- I choose NOT to participate** in the discretionary Overdraft Privilege Service and understand my account **will not** have an assigned Overdraft Privilege Limit.

Account Holder \_\_\_\_\_ Account Holder \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Account Number: \_\_\_\_\_