

What You Need to Know about Overdraft and Insufficient Funds Programs

Effective January 1, 2023

An overdraft occurs when you do not have enough money, or insufficient funds, in your account to cover a transaction, but the bank honors the transactions and allows the account to temporarily carry a negative balance until additional funds can be deposited. American National Bank of Mount Pleasant has three programs to help our customers with such transactions. Below are the various Overdraft and Insufficient Funds Programs (OD/NSF) available.

- Insufficient Funds (NSF) Program** is the default set of overdraft practices built into deposit accounts subject to the insufficient funds procedures. Debit Cards and ATM transactions are not processed if there is not enough money to cover the transaction. Other types of transactions (see below) are reviewed per presentment on a case-by-case basis and are at bank discretion:
 - Returned to the sender as unpaid or declined, a fee is charged.
 - Paid and the account is allowed to go into a negative balance, a fee is charged.
- Overdraft Automatic Transfer Authorization (ODATA) Program** is a customer opted into self-funded variation of ODP. Two accounts are linked together, such as a checking and savings account, funds are automatically transferred from the linked protecting account to cover items when funds are insufficient. There are reduced fees for this service, compared to the other programs. *ATM/ Debit Card Transactions are unable to be part of this program.*
- Overdraft Privilege (ODP) Program** is a customer opted into program that pre-approves an account for the ability to become overdrawn. The bank will automatically honor transactions when the account has insufficient funds, subject to this program terms of use. The customer is notified when the account is overdrawn and assessed the resultant fee. The ATM/Debit Card Transactions Opt-in form must be signed for debit cards to be included in this program.

The bank's OD/NSF programs may be applied to the following types of transactions:

- Checks Written
- In-Person Withdrawals
- ACH Transactions
- Internet Banking
- Telephone Banking Transactions
- Automatic Bill Payments

The Overdraft Privilege Program (ODP) and ATM/Debit Card Transactions Opt-in form are required to allow the following:

- ATM Transactions
- Everyday Debit Card Transactions
- Pre-Authorized Automatic Bank Transfers

When not enrolled within the Overdraft Privilege or Overdraft Automatic Transfer Authorization plans the bank's standard Insufficient Funds Policy is enforced. The bank then pays overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. If the bank does not authorize and pay an overdraft, your transaction will be returned as unpaid and insufficient (NSF) or debit cards will be declined at point of sale (POS). ATM and debit card transactions declined at POS are not assessed a fee.

OD/NSF Fee Schedule

	<u>ITEM \$ MIN</u>	<u>ITEM \$ MAX</u>	<u>OD/NSF FEE CHARGE</u>
(Tier1)	\$0.01	\$10.00	No Fee
(Tier2)	\$10.01	\$29.99	\$10.00
(Tier3)	\$30.00	Unlimited	\$30.00
*ODATA	N/A	N/A	\$5 per transfer

The fee for insufficient an item whether paid or returned is the same

The There is no limit for number of items that may incur a fee, the fee will not exceed \$120 per business day.

***ODATA – Overdraft Automatic Transfer Authorization is a single transfer at end of day from the linked protecting account.**

American National Bank – OD/NSF Program Policy Disclosure

The Insufficient Funds and Overdraft Programs (OD/NSF) are services provided to our consumer checking accounts to cover inadvertent overdrafts. These services are subject to the eligibility criteria and other constraints as explained below.

Terms of Use

- **The default program for deposit accounts is the Insufficient Funds Program (NSF).** Within this default program the payment of insufficient items is not guaranteed. Whether your insufficient items will be paid and allowed to overdraft your account is discretionary, and the bank reserves the right not to pay. For example, the bank typically does not pay overdrafts if an account is not in good standing, nor has regular or direct deposits that bring the account to a positive balance.
- **You must qualify, Opt-in and enroll if you wish to change from the default NSF program .** You may request enrollment in an alternate Overdraft (OD) by completing the form provided at the bottom of this disclosure. You may have this service removed from your account at any time by contacting the Bank.
- **You will be charged an OD/NSF fee for each insufficient item whether returned or paid.** You will be charged a fee, subject to the OD/NSF fee schedule, per each item per presentment. Multiple OD/NSF fees may be charged.
- **Overdraft Limit** maximum bank discretionary limit is set at \$500, this limit includes, and is not limited to any and all fees accrued.
- **Maximum daily fee.** There is no limit on the number of insufficient items that may incur a fee however, the maximum amount of OD/NSF fees that can apply to an account in a single business day are \$120.00.
- **Deposits to Overdrawn Accounts.** All deposits to overdrawn accounts are first applied to the negative balance. Customers who receive Social Security, federal direct deposit, or any other entitlement should not request ODP if they do not want the Bank to apply those funds to pay an overdraft.
- **Excessive Use** – OD/NSF programs are not designed to be used as a permanent solution for financial needs. The Bank monitors accounts for excessive use, and we may remove ODP if we believe you are not managing your account in a responsible manner which may harm you or the Bank.
- **Suspension of Overdraft Privilege.** If you overdraw your account, you must return the account to a positive balance within 30 days, or your ODP will be suspended.
- **Closing of Overdrawn Accounts.** Checking accounts that remain overdrawn for 30 consecutive calendar days are subject to be closed and charged off.
- **Payment Order of Items** - The order in which items are presented may affect the total fees assessed to your account. The first items that we pay are ATM withdrawals, debit card transactions, and any checks cashed by our employees or that you have written to us. We pay the remaining items, such as ACH items, preauthorized automatic transfers, telephone-initiated transfers, any other electronic transfers, and checks, based on the amount from smallest to largest.
- **Joint accounts** require authorization by only one accountholder to select or make changes to the chosen OD/NSF program.

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

- You are more than 30 days past due on any Bank loan or delinquent on any other obligation to the Bank.
- You have an unresolved prior loss with the Bank.
- 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.
- You have a current outstanding balance on an Overdraft Repayment Plan.
- You are a minor.
- We do not have a valid address for you.
- A ChexSystems or any other negative indicator is present.
- Your account is a fiduciary trust, escrow account, business account, or other ineligible account.
- Your account is classified as dormant.

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 and understand the credit process and availability of help if problems occur. www.MyMoney.gov is the federal government’s website for federal financial literacy, education programs, grants, and other information. To request a personal financial toolkit, call **1-888-MyMoney**.

Checking Account Agreement - Your account agreement describes the duties, obligations, and rights of depositors, authorized signatories, and the Bank with regard to your deposit account. 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 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 December 1, 2022

**You may revoke your authorization at any time by selecting a new OD/NSF plan enrollment.
For more information call (903) 572-1776 to speak to a customer service representative.**

American National Bank – OD/NSF Enrollment Selection Form

(CHOOSE ONE)

_____ **Insufficient Fund (NSF) Program**

I understand that I'm retaining the default Insufficient Fund (NSF) Program, that any and/or all of my insufficient fund items may be returned to the Payee, and I agree to hold the Bank harmless, and without liability, for any Payee fees or other consequences that may result from this action. The Bank will continue to charge fees for any transactions per presentation to the Bank drawn on insufficient funds whether paid or returned. The Insufficient Funds (NSF) Program is the default set of overdraft practices built into deposit accounts subject to the insufficient funds procedures. Debit Cards and ATM transactions are not processed if there is not enough money to cover the transaction. Other types of transactions (see disclosure) are reviewed per presentation on a case-by-case basis and are at bank discretion:

- a. Returned to the sender as unpaid or declined, a fee is charged.
- b. Paid and the account is allowed to go into a negative balance, a fee is charged.

_____ **Overdraft Automatic Transfer Authorization (ODATA) Program**

Transfer from Account Type: DDA _____ Savings/MMKT _____ Protecting Account Number: _____

I understand that I'm enrolling in the Overdraft Automatic Transfer Authorization (ODATA) Program. That this is a customer opted into self-funded variation of Overdraft Protection. Two accounts are linked together, such as a checking and savings account, funds are automatically transferred from the linked protecting account to cover items when funds are insufficient. There are reduced fees for this service, (see disclosure) compared to the other programs. *ATM/ Debit Card Transactions are unable to be part of this program.* The fee is per occurrence as indicated in the OD/NSF fee schedule. An additional Automatic Transfer Authorization will If I do not have enough funds in account number to pay items presented against that account, I authorize the Financial Institution to automatically transfer funds in the amount set forth above from account number and deposit the transferred funds into account number to cover any amounts overdrawn. The Financial Institution may continue to make such transfers to cover overdrafts until I notify the Financial Institution in writing to stop. I am an authorized signer on each account listed above. My signature satisfies the minimum number of signatures necessary for withdrawal requirement regarding account number. This agreement is subject to the terms and conditions contained in the Deposit Account Agreement and Disclosure. The Financial Institution (at their complete discretion) may make one transfer to cover each overdraft or one transfer to cover a number of overdrafts during the same day. If this authorization changes any prior authorization, the prior authorization is cancelled and I instruct the Financial Institution to follow this authorization. I acknowledge that if there are not enough available funds in account number to cover the amount(s) overdrawn (or incremental transfer amount, if applicable), then the transfer may not be made and the Financial Institution may treat the item as a nonsufficient funds (NSF) item and process it as such. I understand the Financial Institution does not need to notify me of automatic transfers. I understand that I can call the Financial Institution to find out whether or not a transfer has been made. I understand that I am responsible for the disclosed fees regarding this transfer service. I further acknowledge that the Financial Institution will not be liable for any fees, late charges, penalties, additional interest, or any other charge or amount related to items returned because of insufficient funds. The Financial Institution shall not be responsible if an automatic transfer is not made.

_____ **Overdraft Privilege (ODP) Program**

I understand I am enrolling in the banks' **Overdraft Privilege (ODP) Program** that this is a customer opted into program that pre-approves an account for the ability to become overdrawn up to the policy limit at the banks discretion. The bank will automatically honor transactions when the account has insufficient funds, subject to this program terms of use. The customer is notified when the account is overdrawn and assessed the resultant fee. I preauthorize the overdrafting of my account. I acknowledge I have reviewed the program Terms of Use.

The ATM/Debit Card Transactions Opt-in/out option must be selected (choose one)

___ I **do** want American National Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions. (opt-in)

___ I do **not** want American National Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions. (opt-out)

I acknowledge receipt of the Bank's Overdraft Privilege Disclosure, which outlines program specifics, eligibility requirements, and available alternatives. (only one signature required for joint accounts).

Account Holder Name (please print)

Account Number

Account Holder Signature

Date