

Overdraft Protection Disclosure

(a Discretionary Overdraft Service)

How do overdrafts and NSF checks happen?

When you write a check, withdraw money from an ATM, use your debit card to make a purchase, or make an automatic bill payment or other electronic payment for more than the amount in your checking account, you overdraw your account. First National Bank (FNB) is not obligated to pay any item presented for payment if your account does not contain sufficient funds. By law, FNB has the choice to either pay the item presented or not. If we pay even though you don't have the money in your account, you may be charged an "overdraft" fee. If we return your check without paying it, you may be charged a "nonsufficient funds" fee, also known as NSF Fee, and the person or company that you wrote the check to--for example, a store, your landlord, or the phone company--may charge you a "returned-check" fee *in addition to* the fee we charge you.

As custodians of customers' funds, banks set rules to establish the order in which checks, and other withdrawals are drawn from customers' accounts. Transactions may not be processed in the order they occurred. The order in which transactions are received by the bank and processed can affect the total amount of overdraft fees charged.

If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the presented item (creating an overdraft) or return the presented item (NSF). The amount of the overdraft fee is currently **\$35 per Overdraft Paid Item**. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and incurring the resulting fees. In addition, our online banking and our mobile banking services are available 24 hours a day to provide you with account details, transaction history, and balances.

How can you avoid overdraft and nonsufficient funds (NSF) fees?

The best way to avoid overdraft and NSF fees is to manage your account so you don't overdraw it.

- **Keep track of how much money you have in your checking account by keeping your account records up-to-date.** Record all checks when you write them and other transactions when you make them. And don't forget to subtract any fees.
- **Pay special attention to your electronic transactions.** Record your ATM withdrawals and fees, debit card purchases, and online payments.
- **Don't forget about automatic bill payments you may have set up for utilities, insurance, or loan payments.**
- **Keep an eye on your account balance.** Remember that some checks and automatic payments may not have cleared yet.
- **Review your account statements each month.** Between statements, you can find out which payments have cleared and check your balance by calling the bank or by checking online or at an ATM. Be sure to find out the actual amount in your account--your account balance not including any funds available to you through overdraft-protection plans.
- **Set up online/mobile banking balance alerts.** Digital alerts text or email you real-time alerts so that you can take action if your balance falls to thresholds that your set. Visit www.FNB247.com to learn more.

Sometimes mistakes happen. If you do overdraw your account, deposit money into the account as soon as possible to cover the overdraft amount plus any fees. Depositing money into your account can help you avoid additional overdrafts and fees.

What is overdraft protection?

FNB offers standard overdraft protection so that your checks and automatic transactions are not returned, even if there are not sufficient funds in your account to cover the transactions. Your ATM and debit card transactions may also be paid, if you've opted into full overdraft protection. With overdraft protection, you still may pay an overdraft fee to the bank for each overdraft paid item, but you will avoid a transaction from being denied or risk a merchant's returned-check fee and will stay in good standing with the people in which you do business. Normally, we will not approve an overdraft for you in excess of your limit including any overdraft fees. Overdraft protection is a discretionary overdraft service that your account may automatically be enrolled into if your account meets the eligibility requirements. We may refuse to pay an overdraft for you at any time. As a purely discretionary courtesy, you can opt-out of overdraft protection at account opening or anytime thereafter. In addition, FNB may withdraw this service at any time without prior notice or reason or cause.

How much could overdraft protection cost?

FNB charges a fee of \$35 for each overdraft paid item we cover and pay. Since the fee applies for each overdraft paid item, this could result in multiple fees being charged against the account per day, depending on the number transactions presented or

withdrawn from your account. For example, FNB might cover overdrafts including fees up to a total of \$500.

Example: Suppose you forgot that you had only \$15 in your account and wrote a check for \$25, used an ATM to get \$40 cash, and used your debit card to buy \$30 worth of groceries. In these 3 transactions you've spent a total of \$95 - and overdrawn your account by \$80 ($\$95 - \$15 = \80). *How much will your forgetfulness cost you?*

If you have overdraft protection, FNB may decide to cover all 3 transactions. And each of the 3 overdrafts will trigger a \$35 fee. You will owe FNB the \$80 that you over-spent even though it wasn't in your account, *plus* the 3 overdraft fees. Since our overdraft fee is \$35 per overdraft, you would owe FNB \$185: [$\$80 + \$105 (3 \times \$35)$].

What are some other ways to cover or prevent overdrafts?

FNB offers many ways of covering or preventing overdrafts that may be less expensive. Ask us about these options. You may be able to:

- **Link your checking account to a savings account you have with the bank.** If you overdraw your checking account, FNB can automatically transfer funds from your other account to cover your checking account. An automatic transfer fee per transfer may apply.
- **Manage your account 24/7.** FNB wants to promote responsible account management. That's why we offer FREE account access through Online Banking or Mobile Banking. Set up real-time Alerts & Notifications to receive text or email notifications. Options available include account overdraft and account balance threshold alerts. These services are available 24 hours a day.
- **Utilize Money Management.** You can utilize our FREE Money Management tool with your online banking access. Money Management can help you set financial goals, create a budget, track spending, help you understand your debt, and help you better understand your cash flow.

What do you need to know about overdraft protection?

- **Avoid using this as a short-term loan--**this could be a costly form of credit.
- **If you overdraw your account, get money back into your account as soon as possible.** Remember that you need to put enough money back into your account to cover *both* the amount of your overdraft and any fees. You will need to bring your account to a positive balance at least once every 30 calendar days otherwise your overdraft protection will be suspended.
- **Even if you have overdraft protection, there is no guarantee that the bank will cover your checks, ATM withdrawals, and debit card and other electronic transactions that overdraw your account.**
- **Good account management is the lowest-cost way to protect your hard-earned money.** If you need overdraft protection every now and then, ask the bank about the choices and services that are right for you.

What should you do if you have a problem or complaint about overdraft protection?

If you have a complaint, please contact FNB immediately. If you are unable to resolve the problem, you may choose to file a complaint with one of the state or federal agencies responsible for enforcing consumer banking laws. For more information, contact the federal agency responsible for regulating your financial institution.

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