

# THE STATE BANK

## Overdraft Privilege Service Description

It is the policy of The State Bank to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Deposit Account Terms and Conditions provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the Authorized Signatories and The State Bank with regard to your checking account. The Deposit Account Terms and Conditions (and all amendments thereto) shall control any possible conflict, if any, between any provision of this Overdraft Privilege service and the Deposit Account Terms and Conditions. A copy of the verbiage contained in the Deposit Account Terms and Conditions is available to you on request from any of our offices or by calling us at (810) 629-2263.

A non-sufficient funds balance may result from: A) The payment of checks, electronic fund transfers, or other withdrawal requests; B) Payments authorized by you; C) The return, unpaid, of items deposited by you; D) The imposition of bank service charges; or E) The deposit of items which according to the bank's Funds Availability Policy, are treated as not yet "available" or finally paid.

Pursuant to The State Bank's commitment to always provide you with the best level of accountholder service, now and in the future, if your consumer account (primarily used for personal and household purposes) or commercial account has been open for at least ninety (90) days, and thereafter you maintain your account in good standing, which includes at least:

- a) Making regular deposits consistent with your past practices, and
- b) Depositing an amount equal to the amount of Overdraft Privilege extended to you or more in your account within each thirty (30) day period, and
- c) Bringing your account balance to a positive balance within every thirty-five (35) day period; and
- d) You are not in default on any loan or other obligation to The State Bank or its affiliates, and
- e) You are not subject to any legal or administrative order or levy

The State Bank will consider, as a discretionary courtesy and not a right or obligation, approving your reasonable overdrafts. This privilege for checking accounts will generally be limited to a maximum of \$300/500/700 (based upon account type) overdraft (negative) balance, subject to change at any time without notification. Of course, any and all fees and charges, including without limitation the non-sufficient funds fees and continuous overdraft fees (as set forth in our fee schedules and deposit account agreement and disclosure), will be included.

**We may refuse to pay an overdraft for you at any time, even though your account is in good standing and even though we may have previously paid overdrafts for you.** You will be notified by mail 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 an item. The total of the discretionary overdraft (negative) balance, including any and all fees and charges, including all non-sufficient funds/overdraft fees and continuous overdraft fees is due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Deposit Account Terms and Conditions.

*\*The Overdraft Privilege Service does not constitute an actual or implied agreement between you and the bank. Nor does it create an actual or implied obligation of or by The State Bank to extend credit. This service represents a purely discretionary courtesy or privilege that the bank, at its sole discretion, may provide to you from time to time and which may be withdrawn or withheld by the bank at any time without prior notice or reason or cause.*

## 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 your savings account, which may be less expensive than our standard overdraft practices. To learn more, ask about these plans.

This notice explains our standard overdraft practice.

### What are the standard overdraft practices that come with my account?

We do authorize and pay overdrafts for the following type 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 by “opting in”:

- 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 The State Bank pays my overdraft?

Under our standard overdraft practices:

- We will charge you a fee of up to \$33 each time we pay an overdraft.
  - Also, if your account is overdrawn for 7 or more consecutive days, we will charge an additional \$5 per day.
  - We will not charge your account for more than ten overdraft items per day.
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**The State Bank will not authorize and pay overdrafts on your ATM and everyday Debit card transactions unless you contact us at 810-629-2263 or through the Mail messenger via your online banking to “opt in”.**