

# OVERDRAFT COVERAGE OPTIONS: OVERDRAFT PROTECTION AND OVERDRAFT PRIVILEGE

Life happens! Payne County Bank understands that unexpected overdrafts occur from time to time – Overdraft Coverage can help.

## Overdraft Coverage Options

The choice is yours. Consider these ways to cover overdrafts:

Service	Cost
Overdraft Protection Link to Another Deposit Account you have at Payne County Bank <sup>1</sup>	\$0.00 fee per transfer
Overdraft Privilege	\$25.00 Overdraft Charge per item. Daily fees may apply.

<sup>1</sup>Come into our Main Bank to sign up for this service.

**Overdraft Protection** applies to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account you may have at Payne County Bank for no fee per transfer.

**Overdraft Privilege** allows you to overdraw your account up to the disclosed limit for a fee to pay a transaction. Even if you have Overdraft Protection, Overdraft Privilege is still available as secondary coverage if the other protection source is exhausted. Please review the “**What Else You Should Know**” section included with this disclosure for other important information.

Transactions Covered with Overdraft Privilege	Standard Coverage (No action required)	Extended Coverage (Your consent required) *	If you would like to select Extended Coverage for future transactions: <ul style="list-style-type: none"> <li>• call us at (405) 547-2436</li> <li>• complete the online consent form found at <a href="http://www.paynecountybank.com">www.paynecountybank.com</a></li> <li>• visit our Main Bank</li> <li>• complete the enclosed consent form and mail it to us at P.O. Box 579, Perkins, OK 74059</li> <li>• e-mail us at <a href="mailto:odpriv@paynecountybank.com">odpriv@paynecountybank.com</a></li> </ul>
Checks	X	X	
ACH - Automatic Debits	X	X	
Recurring Debit Card Transactions	X	X	
Online Bill Pay Items	X	X	
Teller Window Transactions	X	X	
ATM Transactions		X*	
Everyday Debit Card Transactions		X*	

\*If you choose Extended Coverage on your account, **ATM transactions and everyday debit card transactions** will be included with the transactions listed under Standard Coverage. If you already have Overdraft Privilege Extended Coverage, it is not necessary to request it again.

You can discontinue Overdraft Privilege in its entirety by contacting us at (405) 547-2436 or sending us an e-mail at [odpriv@paynecountybank.com](mailto:odpriv@paynecountybank.com).

## What Else You Should Know

- A link to another account or a line of credit may be a less expensive option than an overdraft. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts. Good account management is the best way to avoid overdrafts. Use our mobile banking, internet banking, and telephone banking services to keep track of your balance. For additional financial education resources, please visit [www.mymoney.gov](http://www.mymoney.gov).
- The \$25.00 Overdraft Charge that is charged if you overdraw your account is the same fee amount that is charged if an item is returned as unpaid. If multiple items overdraw your account on the same day, each item will be assessed an appropriate Overdraft Charge or a Return Item Charge of \$25.00. All fees and charges will be included as part of the Overdraft Privilege limit amount. Your account may become overdrawn more than the Overdraft Privilege limit amount because of a fee.
- If an item is returned because the available balance in your account is not sufficient to cover the item and the item is presented for payment again, Payne County Bank will charge a Return Item Charge each time it returns the item because it exceeds the available balance in your account. If, on representation of the item, the available balance in your account is sufficient to cover the item Payne County Bank may pay the item, and, if payment causes an overdraft, charge an Overdraft Charge.
- If your account balance remains overdrawn for longer than 1 Business Day, we will charge your account a daily Overdraft Fee of 21% of the Overdrawn Balance for each of the consecutive Business Days, the account remains overdrawn, beginning with day 1.
- For consumer accounts, there is no limit on the total Overdraft Charges per day we will charge.
- This describes the posting order for purposes of determining overdrafts. Our general policy is to post items throughout the day and to post ACH credits before debits in the following order by dollar amount from low to high, Force-pay item, Outgoing wire transfers, Cash withdrawals, Over-the-counter items, Cash withdrawals through ATM, POS transactions, Everyday debit card transactions, Recurring debit card transactions, ACH debits and In-clearing checks, Automatic debit transactions, Fees and other

miscellaneous items; however, because of the many ways we allow you to access your account, the posting order of individual items may differ from these general policies. Holds on funds (described herein) and the order in which transactions are posted may impact the total amount of Overdraft Charges or Return Item Charges assessed.

- Although under payment system rules, Payne County Bank may be obligated to pay some unauthorized debit card transactions, Payne County Bank will not authorize debit card or ATM transactions unless your account's available balance (including Overdraft Coverage Options) is sufficient to cover the transactions and any fee(s).
- Giving us your consent to pay everyday debit card and ATM overdrafts on your consumer account (Extended Coverage) may result in you incurring Overdraft Charges for transactions that we would otherwise be required to pay without assessing an Overdraft Charge. However, this would allow us to authorize transactions up to the amount of your Overdraft Privilege limit and may also help you avoid overdrafts in excess of your available balance that could result in suspension of your debit card. If you consent to Extended Coverage on your consumer account, it will remain on your account until it is otherwise withdrawn.
- Payne County Bank authorizes and pays transactions using the available balance in your account. Payne County Bank may place a hold on deposited funds in accordance with our Your Ability To Withdrawal Funds Disclosure, which will reduce the amount in your available balance. The available balance for checks, ACH items, and recurring debit card transactions is comprised of the ledger balance, less any holds on deposited funds and any debit card holds, plus the amount of the Overdraft Privilege limit and any available Overdraft Protection. The available balance for ATM and everyday debit card transactions on accounts with Standard Coverage is the ledger balance, less any holds on deposited funds and any debit card holds, plus any available Overdraft Protection, but does NOT include the Overdraft Privilege Limit. For accounts with Extended Coverage, the Overdraft Privilege Limit is included in the available balance for authorizing ATM and everyday debit card transactions.
- Please be aware that the Overdraft Privilege amount is not included in your available balance provided through online banking, mobile banking or Payne County Bank's ATMs.
- Payne County Bank will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction. When the hold ends, the funds will be added to the available balance in your account. If your account is overdrawn after the held funds are added to the available balance and the transaction is posted to the available balance, an Overdraft Charge may be assessed.
- Except as described herein, Payne County Bank may not pay items if the available balance in your account (including the Overdraft Privilege limit, if applicable) is not sufficient to cover the item(s) and the amount of any fee(s).
- Payne County Bank may suspend your debit card if you incur overdrafts in excess of the available balance in your account, including any Overdraft Privilege limit (as described herein). Debit cards on your account will remain suspended until you make sufficient deposits so that your available balance, taking into account any Overdraft Privilege limit, is positive and then you contact us.
- Payne County Bank may also suspend your debit card if your account is overdrawn more than 32 consecutive calendar days. Debit cards on your account will remain suspended until you make sufficient deposits so that your account balance is positive.
- Payne County Bank may also suspend your debit card if we are unable to contact you due to an incorrect mailing address or phone number(s). You must contact us with your correct mailing address and/or phone number(s) to have your debit card reinstated.
- We will charge a fee of \$10.00 to reactivate your debit card if we suspend your debit card.
- If your debit card is suspended, you will be unable to use your debit card(s) for purchases or to access your account(s) associated with the debit card(s) at the ATM while your debit card is suspended. If you use your debit card for recurring payments, e.g., utilities, you are responsible to make other arrangements for your recurring debit payment(s).
- New eligible consumer checking accounts may receive a \$100.00 Introductory Overdraft Privilege limit at account opening that may be increased to \$450.00 after 30 days in good standing.
- Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Overdraft Privilege may be reduced if you default on any loan or other obligation to us, your account becomes subject to any legal or administrative order or levy, or if you fail to maintain your account in good standing by not bringing your account to a positive balance within 32 days for a minimum of one business day. You must bring your account balance positive for at least one business day to have the full Overdraft Privilege limit reinstated.
- Depositor and each Account Owner will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Terms & Conditions of Account Disclosure. The total (negative) balance, including all fees and charges, is due and payable upon demand.

If you have any questions about Overdraft Protection or Overdraft Privilege, please call us at (405) 547-2436 or visit our Main Bank.

## 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 another account, which may be less costly 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 will not authorize and pay overdrafts for the following types of transactions without your consent.

- 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 Payne County Bank pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of up to **\$25.00** each time we pay an overdraft
- If your account balance remains overdrawn for longer than 1 Business Day, we will charge your account a daily Overdraft Fee of 21% of the Overdrawn Balance for each of the consecutive Business Days, the account remains overdrawn, beginning with day 1
- **There is no limit** per day on the total fees we can charge you for overdrawing your account

➤ **What if I want Payne County Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call (405) 547-2436, visit our website at [www.paynecountybank.com](http://www.paynecountybank.com), email us at [odpriv@paynecountybank.com](mailto:odpriv@paynecountybank.com), complete the form below and present it at our Main Bank or mail it to: P.O. Box 579, Perkins, OK 74059. You can revoke your authorization for Payne County Bank to pay these overdrafts at any time by any of the above methods. Your revocation must include both your name and your account number so that we can properly identify your account.

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\_\_\_\_\_ **I do not** want Payne County Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

\_\_\_\_\_ **I want** Payne County Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

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