

# CITIZENS BANK of Lafayette

SMITH COUNTY BANK

BANK of CELINA

LIBERTY STATE BANK

## OVERDRAFT PRIVILEGE SERVICE DISCLOSURE

(A Discretionary Overdraft Service)

Citizens Bank ("we, us or our") offers an Overdraft Privilege Service. If your account qualifies for Overdraft Privilege, we will consider, without obligation on our part, paying items for which your account has insufficient or unavailable funds, instead of automatically returning those items unpaid. Whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts. This document explains how Overdraft Privilege Service operates.

### Transactions That May Qualify For Overdraft Privilege

An overdraft occurs when you do not have enough money in your account to cover a transaction. Although there are many reasons why your account might become overdrawn, most overdrafts result from the following:

a) You write a check, swipe your debit card, or initiate an electronic funds transfer in an amount that exceeds the amount of funds available in your account; b) You deposit a check or other item into your account and the item is returned unpaid, which causes a negative balance in your account once your balance is reduced by the amount of the returned check; c) You have inadequate funds in your account when we assess a fee or service charge; or d) You initiate a transaction before funds deposited into your account are "available" or "finally paid" according to our Funds Availability Policy. For example, if you deposit a check into your account, the proceeds of that check may not be available to you for up to seven days after you deposit the check. If you do not have sufficient funds in your account—independent of the check—to cover the transaction, you will incur an overdraft.

The Overdraft Privilege Service applies to a variety of transactions, including checks and other transactions made using your checking account number, automatic bill payments, ATM transactions and everyday debit card transactions; however, we will not include ATM and everyday debit card transactions within our Overdraft Privilege Service without first receiving your affirmative consent to do so. Absent your affirmative consent, ATM and everyday debit card transactions generally will not be paid under Overdraft Privilege. ATM and everyday debit card transactions may be paid under Overdraft Privilege after an account has been opened for at least thirty (30) days.

Participation in Overdraft Privilege is not mandatory. You may opt-out of the service any time by notifying one of our service representatives. Furthermore, you may revoke your affirmative consent to have ATM and everyday debit card transactions considered for payment under Overdraft Privilege without removing other items from the service. Simply inform us of your preference.

As noted above, we retain full discretion to decline to pay any item under the Overdraft Privilege Program. This means we can refuse to pay any overdraft for any reason. Even if we decide to pay an overdraft item, absent an agreement to the contrary, such payment does not create any duty to pay future overdrafts. If we do not authorize and pay an overdraft, your transaction will be declined and we may assess NSF fees on your account in accordance with your account agreement and the fee schedule in effect at the time of the overdraft.

### Fees

For each overdraft we pay, we will charge the standard per item overdraft fee \$26.00 as set forth in our fee schedule. A fee may be imposed for covering overdrafts created by check, in-person withdrawal, ATM withdrawal, or other electronic means (provided you have consented or opted into overdrafts regarding ATM or one-time debit card transactions). We will notify you by mail if we pay or return any insufficient or unavailable funds items on your account; however, we have no obligation to notify you before we pay or return any item. Regardless of the number of NSF items, you will be charged for no more than six per day. Effective October 2011, our de minimus amount will be \$5.00. This means that there is no fee for items which overdraw an account up to, but not exceeding, \$5.00 on any business day. The amounts of any overdrafts, including our fees, are due and payable immediately or on demand.

### Accounts Eligible For Overdraft Privilege

Overdraft Privilege is a discretionary service and is generally limited to an \$800 overdraft (negative) balance for eligible personal checking accounts; or a \$1,500 overdraft (negative) balance for eligible business checking accounts. Please note that the per item fees count toward your Overdraft Privilege Limit. We may in our sole discretion limit the number of accounts eligible for Overdraft Privilege to one account per household or per taxpayer identification number. Further, Overdraft Privilege is usually extended only to accounts in good standing. An account in good standing exhibits, but is not limited to, the following characteristics:

- a) The account has been open for at least thirty (30) days;
- b) The account has deposits totaling at least \$500 or more within each thirty (30) day period;
- c) The account demonstrates consistent deposit activity;
- d) The account owner is current on all loan obligations with us; and
- e) The account is not subject to any legal or administrative order or levy, such as bankruptcy or tax lien.

### Other Overdraft Services

We offer other Overdraft Products in addition to Overdraft Privilege. These include (1) Linked Account- this provides an automatic transfer from another account of yours, such as a savings account. The cost for "Linked Account Program" is \$3.00 per transfer. This product may be established by speaking to a Service Representative at any time. (2) Overdraft Line of Credit- this is a loan in the form of a line of credit, thereby requiring you to submit a loan application and to meet other certain credit requirements. Once established the loan will be available and used to automatically transfer funds to the checking account when the account goes below a zero balance. For more information on the "Overdraft Line of Credit", please see a loan officer. If you establish either of these products, you may save money on the total fees you pay us for overdraft protection services.

Overdrafts should not be used to pay ordinary or routine expenses and you should not rely on overdrafts 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 Service Representatives at (866)666-2195 or visit <http://www.ftc.gov/moneymatters>.

Effective December 1, 2013

CITIZENS BANK | SMITH COUNTY BANK | BANK of CELINA | LIBERTY STATE BANK

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