



DeMotte State 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 a savings account, which may be less expensive 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 do not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- 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 DeMotte State Bank pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of up to **\$35** each time we pay an overdraft.
- Also, if your account is overdrawn for 5 or more business days, we will charge an additional \$35 per 5 day period.
- The maximum number of overdraft fees that a customer will be charged, per business day, is 10.

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

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call 219-987-4141 (Ext. 108263), or complete the form below and either present it at one of our branch locations or mail to: DeMotte State Bank, P.O. Box 400, DeMotte, IN 46310 marked to the attention of the Overdraft Coordinator.

Member FDIC

I want DeMotte State Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____ Date: _____

Account Number: _____

DeMotte State Bank
Discretionary Overdraft Privilege Policy

It is the policy of DeMotte 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 Agreement and Disclosure 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 DeMotte State Bank with regard to your checking account. The Deposit Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Overdraft Privilege Policy and the Deposit Account Agreement and Disclosure. A copy of the Deposit Account Agreement and Disclosure is available to you on request from your DeMotte State Bank New Account Representative.

Overdraft privilege is not a line of credit. However, if you inadvertently overdraw your account, we will have the discretion to pay the overdraft, subject to the limit of your overdraft privilege and the amount of the overdraft fee. DeMotte State Bank is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by DeMotte State Bank of an overdraft check (or items, such as ATM withdrawals) does not obligate DeMotte State Bank to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

Pursuant to DeMotte State Bank's commitment to always provide you with the best level of service, now and in the future, if your consumer account (primarily used for personal and household purposes) has been open for at least fifteen (15) days, or if your commercial account has been open for at least thirty (30) days, and thereafter you maintain your account in good standing, which includes at least;

- A) Bringing your account balance to a positive balance within every forty-five (45) day period for a minimum period of 24 hours;
- B) Not being in default on any loan or other obligation to DeMotte State Bank for a period of 30 days or more and;
- C) Not being subject to any legal or administrative order or levy.

DeMotte State Bank will have the discretion to pay overdrafts within the overdraft privilege limits, but payment by DeMotte State Bank is a discretionary courtesy and not a right of the consumer or an obligation of DeMotte State Bank. This privilege for consumer checking accounts will generally be limited to a maximum of \$800 overdraft (negative) balance. This privilege for commercial accounts will generally be limited to a maximum of \$1,500 overdraft (negative) balance. Of course, any and all fees and charges, including without limitation the non-sufficient funds fees (\$35 per item) (as set forth in our fee schedules and deposit account agreement and disclosure), will be included as part of this maximum amount. It may be possible that your account will become overdrawn in excess of the overdraft privilege amount as a result of the assessment of a fee.

The total of the discretionary overdraft privilege (negative) balance, which includes any and all fees and charges, including all non-sufficient funds/overdraft fees is due and payable upon demand, and Depositor(s) will continue to be liable, jointly and severally, for all such accounts, as described in the Deposit Account Agreement and disclosure with a maximum repayment period of 45 days.

Our standard overdraft fee of \$35 will be imposed for overdrafts created by checks, ACH, ATM withdrawals, everyday debit card transactions, in-person withdrawals, or by other electronic means. If your account balance remains overdrawn for 5 or more business days, we will charge your account \$35 per 5 day period. Transactions may not be processed in the order in which they occurred, and the order in which transactions are received and processed may impact the total amount of fees incurred.

Again, while DeMotte State Bank will have the discretion to pay overdrafts on accounts in good standing (as described above), any such payment is a discretionary courtesy, and not a right of the accountholder or an obligation of DeMotte State Bank and DeMotte State Bank in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

For our consumer accountholders, DeMotte State Bank will not pay overdrafts for ATM or everyday debit card transactions after August 15, 2010 unless DeMotte State Bank has provided you with the notice required by section 205.17(b) of Regulation E and you have opted in to the payment of these overdrafts. In addition, for both consumer and commercial accounts, you may opt out of the Overdraft Privilege services at any time by contacting one of our New Account Representatives.