

OVERDRAFT PROTECTION AND OVERDRAFT PRIVILEGE DISCLOSURE

Focus Bank ("we, us or our") offers Overdraft Protection and Overdraft Privilege Services. If your account qualifies for Overdraft Coverage, 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. This document explains how Overdraft Protection and Overdraft Privilege operates.

Overdraft Coverage Options

* **Overdraft Protection** services apply to all accounts and all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account you may have at Focus Bank. This overdraft protection service is offered at no charge to the customer. If you apply and are approved for this optional service, you may save money on the total fees you pay us for overdraft protection services. 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 and internet banking services to keep track of your balances.

* **Overdraft Privilege** allows you to overdraw your account up to the disclosed limit for a fee in order to pay a transaction. Even if you have Overdraft Protection, Overdraft Privilege is still available as secondary coverage if the other protection is exhausted

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 NSF 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 debits and credits totaling at least \$200 or more within the previous thirty (30) day period for personal checking accounts or sixty (60) day period for business checking accounts;
- b) The account demonstrates consistent transaction activity;
- c) The account is not subject to any legal or administrative order or levy, such as bankruptcy or tax lien.

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 several days (normally within two business 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, but not limited to, checks, in-person withdrawals, 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 for personal checking accounts. Absent your affirmative consent, ATM and everyday debit card transactions generally will not be paid under Overdraft Privilege.

Participation in Overdraft Privilege is not mandatory. You may opt-out of the service any time by notifying one of our service representatives at **(800)464-3150**. 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 Service. The 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.

Overdraft Privilege Fees

For each overdraft item, we will charge the standard per item NSF Fee (labeled "NSF Paid Handling Fee" or NSF Returned Handling Fee" in your periodic statement) set forth in our fee schedule (currently **\$32.00**). In addition, under our standard overdraft practices:

- * If multiple items overdraw your account on the same day, each item will be assessed an appropriate NSF Paid Handling Fee of **\$32.00**. All fees and charges will be included as part of the Overdraft Privilege limit amount. Your account may become overdrawn in excess of the Overdraft Privilege limit amount as a result of a fee.
- * We will charge your account a **\$5.00** Daily Overdraft Fee. We will begin charging the Daily Overdraft Fee on the third business day your account is overdrawn and will continue to charge the Daily Overdraft Fee for each subsequent consecutive three business days your account remains overdrawn; there is no limit on the total amount of Daily Overdraft Fees.
- * There is a business day combined maximum of five (5) per-item Overdraft/NSF Fees that we can assess your personal checking account (four (4) NSF Fees and one (1) Daily Overdraft Fee). This limit does not apply to business accounts.
- * The Bank does not charge a personal checking account participating in the Overdraft Privilege Program an NSF Fee for transactions that overdraw an account by an aggregate amount of \$10.00 or less. This feature does not apply to business accounts.
- * 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, Focus Bank will charge an NSF Returned Handling Fee 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, Focus Bank may pay the item, and, if payment causes an overdraft, charge an NSF Paid Handling Fee.
- * Other than specifically referenced above, there is no limit to the number of per item Overdraft/NSF Fees that can be charged on an individual item or to the frequency with which per item Overdraft/NSF Fees can be charged.
- * Giving us your consent on your personal account to pay every day debit card and ATM overdrafts may result in you incurring NSF Paid Handling Fees for transactions that we would otherwise be required to pay without assessing an NSF Paid Handling Fee. 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 funds.
- * Focus 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 NSF Paid Handling Fee may be assessed.

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. The amount of any overdrafts - including our fees - is due and payable immediately or on demand. Also, please note that if we return an item NSF it will likely be automatically represented by the financial institution the item was drawn on and potentially could result in an additional per item NSF Fee when represented if the amount of the item still exceeds the amount of available funds in your account.

What Else You Should Know

We generally post items in the following order: 1) credits, 2) in-house items like cashed checks and wire transfers, 3) ATM and debit card transactions (low to high dollar amount), 4) checks (check number order). Transactions may not be processed in the order which they occurred; and that the order in which transactions are received and processed may impact the total amount of fees incurred by the customer.

Although under payment system rules, Focus Bank may be obligated to pay some unauthorized debit card transactions. Focus Bank will not authorize debit card or ATM transactions unless there are available funds (including Overdraft Coverage Options) to cover the transactions and any fees.

Focus Bank authorizes and pays transactions using the available balance in your account. The available balance is comprised of the ledger balance (collected funds) less any debit card holds and other presentments, and does not include any deposited funds on hold. Focus Bank may place a hold on deposited funds in accordance with our Deposit Account Agreement and Disclosure. If the funds in the available balance are not sufficient to cover a transaction, any available Overdraft Protection and/or the amount of the Overdraft Privilege limit, may be used to authorize and pay a transaction.

Please be aware that the Overdraft Privilege Amount is not included in your balance provided through internet banking, mobile banking, or Focus Bank's ATMs.

Except as described herein, Focus Bank will not pay items if your account does not contain available funds (including the Overdraft Privilege limit) to cover the item(s) and the amount of the fee(s).

Focus Bank will suspend your debit card if your account is overdrawn more than 35 consecutive calendar days. Debit cards on your account will remain suspended until you make sufficient deposits so that your account balance is positive.

If your debit card is suspended, you will be unable to use your debit card for purchases or to access your account at the ATM. 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).

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 discontinued 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 thirty-five (35) days for a minimum of one business day.

Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Deposit Account and Disclosure. The total (negative) balance, including all fees and charges, is due and payable upon demand.

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 us at **800-464-3150** to discuss your options or speak with one of our customer service representatives at your local branch office.