



What You Need to Know about Overdrafts & Overdraft Fees

OVERDRAFT CONSENT FORM

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. Your overdraft may be covered in three different ways:

- We have an Overdraft Privilege that comes with your account, unless you decline the service.
- We offer an Overdraft Protection plan, a cash link to your savings account or other account, which may be less expensive than our standard overdraft practices. To learn more, ask us about this plan.
- Set up low balance alert and transfer monies yourself. Ask us how.

Overdraft Privilege

What are the Overdraft Privileges that come with my account? We pay overdrafts at our discretion, which means we will strive to pay your items but we do not guarantee that we will always pay every item. We strive to pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments

What fees will I be charged if Texas First Bank pays my overdraft?

- We will charge you a fee of **\$29.50** for each item we pay into overdraft up to six (6) per day.

Overdraft Privilege Plus

Federal Regulation E prevents us from paying overdrafts and charging a fee for the following transactions unless you ask us to:

- 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 every item. If you choose not to opt-in, unfortunately, transactions that would result in an overdraft on ATM and everyday debit card transactions will be declined.

What fees will I be charged if Texas First Bank pays my ATM and everyday debit card overdraft?

- We will charge you a fee of **\$29.50** for each item we authorize and pay into overdraft.

Please tell us if you want us to authorize and pay overdrafts on ATM and everyday (non-recurring) debit card transactions.

☐ **I DO NOT WANT Overdraft Privilege** on my accounts. (Texas First Bank will not pay **ANY** overdrafts on my account. Recurring payments are still subject to Overdraft (OD)/Non-sufficient Fund (NSF) fees.)

☐ **I WANT Overdraft Privilege Plus** on my accounts. (Texas First Bank is authorized to pay ATM and everyday (non-recurring) debit card transactions on my account).

I acknowledge receipt of disclosures and my right to revoke my opt-in at any time by calling the number or by notifying the bank in writing using the address or fax number provided.

Printed Name

Account Number (one account per form)

Date

Customer Signature

How do I accept or decline Overdrafts Privileges (Plus) on my account and/or ATM and everyday debit card transactions? What if I want to change my mind later?

- Complete this election form, and drop it off at any one of our locations, or
- Return this completed form by mail to: 600 Gulf Freeway, Texas City, TX 77591 or
- Fax this completed form to (409) 978-2279.

If you any questions, please call (409) 948-1993.

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OVERDRAFT PRIVILEGE (OD) DISCLOSURE

Overdraft Privilege

Texas First Bank's Overdraft Privilege comes with your checking account. Overdraft Privilege is a discretionary service requiring no action on your part. It can be used in the unlikely event you incur an insufficient item. The overdraft may be made available for checks and other transactions made using your checking account number such as automatic bill payments, teller withdrawals, and recurring debit card payment, but does not include ATM and One-Time Debit Card transactions unless you provide a written consent for Overdraft Privilege Plus, described below. The bank does not guarantee every insufficient item will be paid into overdraft when presented, even if the bank has previously paid. We may use whatever determining factor we deem necessary in making our decisions to honor your overdraft.

Overdraft Privilege Plus

OPTION TO OPT-IN FOR PAYMENT OF ATM AND ONE-TIME DEBIT CARD TRANSACTIONS:

ATM and One-Time Debit Card transactions are not a part of Overdraft Privilege unless you request them to be included. We will not approve overdrafts resulting from ATM and One-Time Debit Card transactions unless you provide your consent in writing by returning an Opt-In Form. If you do not choose to opt-in, transactions will be declined if there are non-sufficient funds (NSF) in your account to cover the transactions. If you choose to opt-in the FEES for overdrafts described below will apply.

FEES: There are no additional costs associated with Overdraft Privilege or Overdraft Privilege Plus unless you use the service.

- You will be charged an overdraft fee of \$29.50 for each item presented and paid into overdraft up to six (6) fees per day.
- We will not assess a fee for overdraft amounts of less than \$10.00 (de minimis).

Overdraft Privilege and Overdraft Privilege Plus should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balances by entering all items in your register, reconciling your account regularly and managing your finances responsibly. We can make suggestions and offer you more cost effective ways to protect your account from overdraft. Here are just a few:

- Review your account transactions regularly using bank by phone, online banking, in person, or you may request a history print out from your local office for a small fee.

- Set up a link account, and we'll automatically transfer money from your savings account or any other TFB account to cover your items. (Limitations may apply.)
- Set up low balance alerts and transfer what you need when you need it.
- Download the TFB mobile app to your smartphone to keep track of your account on-the-go.

CATEGORIES OF TRANSACTION FOR WHICH A FEE FOR PAYING AN OVERDRAFT MAY BE IMPOSED:

An overdraft may result from any of the following items if they are presented against your account and you do not have the sufficient funds in your account to pay the item(s), but we pay anyway.

Note: In the case of ATM and one-time preauthorized debit card transactions (electronic transactions that the bank has authorized upon your request and therefore is obligated to pay) which have not yet settled and at the time of authorization did not result in an overdraft, a fee will not be charged for these items. However, when later presented for settlement, the account balance may be reduced by unrelated transactions and a fee may be imposed.

These unrelated fee categories include:

- Automatic payments (ACH),
- Recurring debit card payments authorized by you,
- Electronic check conversions,
- BillPay transactions,
- In-person teller withdrawals,
- Checks, traditional paper-based, and
- Any other debit transactions using your checking account number.

CLEARING POLICY: We post items received in the following order: (1) Deposits, ACH Credits, ATM Credits, Wire Transfer Credits, all other credits; (2) ATM Withdrawals, Teller Withdrawals, One-Time Debit Card transactions, Wire Transfer Debits; (3) ACH Debits, preauthorized and recurring debits, Electronic check conversions, BillPay transactions; (4) Checks sorted smallest to largest. In the normal course of business, we generally pay electronic transactions first and then checks. We reserve the right to change the order without notice to you if we suspect fraud or possible illegal activity affecting your account. We provide the payment orders as awareness that the order for which items pay may create multiple overdraft items during a single banking day for which you will be charged our OD/NSF charge of \$29.50 for each overdraft item paid or NSF item returned.

CIRCUMSTANCES UNDER WHICH WE WILL NOT PAY AN OVERDRAFT:

We may refuse to pay an insufficient item for you at any time, even though we may have previously paid insufficient

TEXAS FIRST BANK

OVERDRAFT PRIVILEGE (OD) DISCLOSURE

items resulting in your account becoming overdrawn. We will not pay insufficient items if your account is not in good standing. For example, if:

- You are not making regular deposits;
- You have not brought your account to a positive balance at least every 30 days or less, including the payment of all bank fees and charges;
- You have outstanding legal orders, levies, or liens against your account;
- We determine you have too many overdrafts or are using the account as a regular line of credit;
- We determine fraud is associated with your account; or
- For any other means the bank finds relevant in preventing financial losses.

WHAT NOTICES TO EXPECT WHEN OVERDRAFT PRIVILEGE IS USED:

You will be notified by mail of any insufficient item presented for payment which may be paid into overdraft and/or returned insufficient. We will tell you where fees have been charged or waived on how much. We have no obligation to notify you before we pay or return any item.

If you experience six (6) overdrafts in a rolling twelve month in which an overdraft item was paid and an overdraft fee was charged, regulation considers this to be excessive and we are required to send you written correspondence after each sixth (6th) occurrence. This is to remind you of alternative services available to assist you in avoiding continued overdrafts and associated overdraft fees. You will find this notice on your monthly statement when these limitations occur.

We will send you no more than three notices of overdraft before closing the account. The last notifications are sent at 60+ days stating our intent to close the account and report to credit bureau. The Banking Center Managers may from time-to-time or case by case attempt to reach you by phone and/or email, but there is no promise, guarantee, or obligation to do so.

TIME PERIOD BY WHICH YOU MUST REPAY OR COVER ANY OVERDRAFT:

If your account becomes overdrawn, we request that you deposit sufficient funds to bring your account to a positive balance upon notice of overdraft and/or no later than 30 days from time of overdraft.

LIMITATIONS:

This service is provided as a non-contractual courtesy, and we reserve the right to limit this service to one account per household and/or business and to reduce, suspend, revoke or discontinue this service without prior notice.

YOUR RIGHTS TO DECLINE OVERDRAFT PRIVILEGE:

Simply because Texas First Bank has provided an Overdraft Privilege on your account does not mean you need to use it. It may be viewed as a precautionary measure in an unlikely event. However, if you do not want Overdraft Privilege on your account you may decline in writing to Texas First Bank, 600 Gulf Freeway, Texas City, TX 77591, by visiting any banking center office during normal business hours, or by fax to (409) 978-2279.

You may contact Texas First Bank at (409) 948-1993 to answer any questions regarding the program. If you decline Overdraft Privilege, you are also declining Overdraft Privilege Plus.

Compare your options, and choose the plan that's right for you:

Example #1:

You plan to spend \$25 at the store *by -writing a check* off your account. Your account has \$10.

Without OD Privilege: Your check is processed by the merchant, but because there isn't enough money in your account, the check is returned unpaid by the bank. You are also charged a non-sufficient funds (NSF) fee of \$29.50 by the bank. You now have -\$19.50 in your bank account, plus you still owe the store \$25 + any fees they may charge for a returned check.

With OD Privilege: Your check is processed by the merchant, and the bank pays despite you not having sufficient funds in your account. An overdraft fee of \$29.50 is applied to your account. You now have -\$44.50 in your bank account, but your debt to the store is paid.

Example #2:

You plan to spend \$25 at the store *by using your debit card*. Your account has \$10.

Without OD Privilege PLUS: Your transaction is automatically declined at the store, because there isn't enough money in your account. You are not charged any overdraft fees. You are unable to pay the store, but still have \$10 in your account.

With OD Privilege PLUS: Your transaction is approved, even though there isn't enough money in your account. The bank uses Overdraft Privilege Plus to pay, so the \$25 is paid to the store plus an overdraft fee of \$29.50 is applied. You are left with -\$44.50 in your account.

Your checking account is by default opted-in to Overdraft Privilege. To opt-in to Overdraft Privilege Plus or to decline all Overdraft Privileges, please complete the Overdraft Privilege Consent Form.