

## 1 Overdraft Privilege Disclosure

It is the policy of First Port City Bank to comply with all applicable laws and regulations, as well as to conduct business in accordance with applicable safety and soundness standards. We believe it is important for you to use your checking account responsibly and to never intentionally overdraw your account. To reduce the chances of overdrawing your account and incurring fees, you should follow these tips:

- Do not write a check if you don't have the funds available.
- Reconcile your account as soon as you receive your bank statement.
- Keep a record of all transactions, especially ATM and debit card transactions, daily as you make them. Use a check register for recording the transactions and keep a record of your balance after each transaction. Go by that balance when making a financial decision.
- Don't forget about automatic bill payments.
- Be aware that not all transactions are processed in real time and may be presented on your account at different times of the business day. Some checks may be received at a time that you will NOT see them as pending items before they are actually charged to your account.
- Set up account balance alerts through Internet Banking.
- Do not write a check relying on "float" (the time it takes a check to get to the bank to be posted to your account). Technology has drastically reduced the time between writing a check and it being presented on your account.
- Ask about all overdraft protection options and select the one best suited to your financial needs.

However, we realize that financial shortfalls happen from time to time and we have several options available for you. As a benefit to our customers, we offer these useful services to cover you in the event that you inadvertently overdraw your checking account.

### Overdraft Payment Options:

- Transfer from another account – If you have other accounts with us, you can authorize us, in advance, to transfer the funds needed to cover your overdraft. An Overdraft Protection fee, per transfer, will apply.
- Line of Credit – A line of credit is available to cover overdrafts. This service requires you to complete an application and approval is based on your credit worthiness. The amount of your limit varies. Please contact our Loan Department for applicable terms and conditions. There is no fee for using a line-of-credit to cover overdrafts.
- Overdraft Privilege – Overdraft Privilege is a service we add to your checking account to cover overdrafts to a set limit, subject to the eligibility criteria as explained below. **Overdraft Privilege is not a line of credit.** While we reserve the right to unilaterally refuse to pay any item that is presented, with Overdraft Privilege we will generally pay your overdraft items up to \$300.00, however, 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 the account is not being managed in a responsible manner. When we pay overdraft items for you, you will be charged our standard overdraft fee, currently \$32.00, for each item that is presented. There will be a daily limit of four (4) overdraft fees assessed per account on any business day. Both the amount of the overdraft items and all applicable fees are included in this limit. The overdraft fee is subject to change; however we will provide 30-day advance notice if the overdraft fee changes. You will not be charged on overdraft fee if your balance is overdrawn by \$5.00 or less at the end of the processing day for the item(s) presented that day. All deposits to overdrawn accounts are applied to the negative balance.

If we do not pay overdraft items for you, you will be charged our normal returned item fee, currently \$32.00, for each item presented. You will receive an overdraft notice by mail each time items are paid. The notice will identify the transaction amount and the overdraft fee. In addition, your monthly statement will summarize the total amount of overdraft fees assessed for each statement cycle, as well as the year-to-date total for fees. You must bring your account to a positive balance at least once every thirty (30) days to maintain your Overdraft Privilege in good standing. The Overdraft Privilege service will be removed from your account if it remains in an overdraft status for a period of 45 consecutive days; however, the removal of the service from your account does not relieve you of the obligation to pay the overdraft balance. Overdraft balances from accounts overdrawn for 45 consecutive days will be referred to the collection department.

**Eligibility** – No application is required for Overdraft Privilege. Eligibility is at First Port City Bank's sole discretion and Overdraft Privilege service is generally made available when the account is opened. Overdraft Privilege may be suspended or permanently removed without notice from the account at the bank's discretion.

**Account Owners** – Any one owner on an account may consent or revoke consent to have Overdraft Privilege on an account. Any one owner on an account may consent or revoke consent to have the Overdraft Privilege limit available for ATM withdrawals and everyday debit card transactions. If there is conflict between account owners, the most recent consent/revocation decision provided to the bank will be the prevailing decision on which the bank will act.

**Transactions covered by Overdraft Privilege** – Overdraft Privilege will be available for all checks written, in-person withdrawals, ACH transactions, preauthorized automatic transfers, internet banking and telephone banking transactions. Overdraft Privilege will **not** be available for ATM and everyday debit card transactions **unless** you authorize the bank by completing an ATM/Debit Card Consent form.

**NOTE:** If you have consented to Overdraft Privilege for ATM transactions, please verify your balance before initiating an ATM cash withdrawal. All overdrafts will be subject to an overdraft fee for each withdrawal until the account returns to a positive balance.

**Payment Order of Items** – The bank will process electronic items in the order in which they are received. Over the counter items shall be processed in the order in which they are received. All other items shall be processed from lowest in amount to highest in amount.

**Electronic Item Holds** – Holds placed on your account for pending electronic transactions, such as hotel or car rental deposits reduce your available balance and may cause your account to become overdrawn.

**Excessive Use** – We monitor accounts for chronic or excessive use. If you overdraw your account more than six times in a rolling twelve month period you will be contacted by mail, periodic statements or telephone to discuss alternatives and/or continued use of Overdraft Privilege.

**Financial Education** – First Port City Bank believes that financial literacy and education helps consumers make informed decisions. Heightened awareness of personal financial responsibility helps consumers realize the benefits of responsible money management, understanding the credit process and the availability of help if problems occur. [www.MyMoney.gov](http://www.MyMoney.gov) is the federal government's website that serves as the one-stop shop for federal financial literacy and education programs, grants and other information. To request a personal financial toolkit, call 1-888-MyMoney.

**Opt Out** - You may never need to take advantage of the Overdraft Privilege, but you may find it useful in the event of a temporary shortfall. There are 2 options to opt-out of the Overdraft Privilege service:

- **Opt-out of ATM withdrawals and debit card transactions to be covered by Overdraft Privilege.** At any time, you have the right to revoke a prior decision you have made to opt-in for these transactions by choosing this option to opt-out. Overdraft Privilege will still be available for all checks written, in-person withdrawals, ACH transactions, preauthorized automatic transfers, internet banking and telephone banking transactions. Overdraft Privilege will not be available for ATM and everyday debit card transactions.
- **Opt-out of Overdraft Privilege on my account.** By choosing this option, you are informing the bank that you do not want the Overdraft Privilege service to apply to your account for any transactions.

To opt-out of either option, call 229-246-6200 to speak with a Customer Service Representative or stop by one of our convenient branches.

Even though you have elected to opt-out, you will still be charged \$32.00 for each item returned. Customers who receive Social Security, federal direct deposit, or any other entitlement benefit must opt-out if they do not want the bank to apply those funds to pay an overdraft.

**Account Agreement** – Your account agreement describes the duties, obligations and rights of depositors, authorized signatories and the bank with regard to your deposit accounts. That account agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. Your account agreement and this disclosure shall be construed so as to minimize conflicts between them.

**Waiver** – The bank's forbearance from, or delay in, exercising any of the bank's rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this Overdraft Privilege disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the bank's rights, remedies or privileges.

**Remedy** – You and the bank agree that the exclusive remedy and forum for all disputes arising out of the Overdraft Privilege or your performance or the bank's performance thereunder, except for matters you or bank take to small claims court, is arbitration by an independent arbitrator pursuant to the applicable rules of the American Arbitration Association, except as prohibited by law.

**Effective Date** – All information listed in this disclosure is effective as of February 5th, 2014.

## **First Port City Bank Overdraft Privilege**

### **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 as follows:

- We have standard overdraft privilege practices that come with your account.
- We also offer one or more overdraft protection plans which may be less expensive than other practices, such as a link to a savings account or a line of credit. To learn more, ask us about these plans.

This notice explains our standard overdraft privilege practices.

### **What are the standard overdraft privilege 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 First Port City Bank pays my overdraft?**

Under our standard overdraft privilege practices:

- We will charge you a fee of **\$32.00** each time we pay an overdraft item.
- There will be a daily limit of four (4) overdraft fees assessed per account on any business day.
- We will not charge an overdraft fee for any item that causes an overdraft balance of \$5.00 or less.

### **What if I want First Port City 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 229-246-6200 to speak with a Customer Service Representative
- Stop by one of our convenient branches
- Complete and Sign the Election Form below, detach at the dotted line, and deliver it to us or mail it to: **First Port City Bank - P.O. Box 1070 - Bainbridge, GA, 39818**

**You have the right to revoke authorization for First Port City Bank to pay overdrafts on your ATM and everyday debit card transactions. You may use any of the options listed directly above to opt out.**