



St. Mary's Bank OVERDRAFT COVERAGE OPTIONS

With our overdraft protection coverage options, when there is not enough money in an account to pay for a transaction St. Mary's Bank funds it anyway.

WHAT ARE MY OVERDRAFT COVERAGE OPTIONS?

The choice is yours. Consider these ways to cover overdrafts:

Service	Cost
Overdraft Sweep ^{1,2}	\$2 fee per transfer
Overdraft Protection Line of Credit ^{1,3}	Subject to fees + interest
Payment Privilege ⁴ Standard or Extended	\$32 per item presented*

¹Contact us at 1-888-786-2791, visit a branch to enroll or apply for these services.

²Not available for ATM or debit card transactions

³Subject to credit approval.

⁴Not available for Student Checking, HSA, or IOLTA accounts

*Per item presented means each time an item is presented, including representations.

WHAT IS OVERDRAFT PROTECTION?

Overdraft Protection applies to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account, or line of credit you have at St. Mary's Bank for a fee or finance charge. Please note that overdraft lines of credit are subject to credit approval. Call us at 1-888-786-2791, or stop by a branch to enroll in Overdraft Sweep or apply online at www.stmarysbank.com for an Overdraft Line of Credit.

WHAT IS PAYMENT PRIVILEGE?

Payment Privilege allows you to overdraw your account up to the disclosed limit for a fee to pay a transaction. Even if you have another Overdraft Protection option, Payment Privilege is still available as an additional coverage if the other protection source is exhausted.

St. Mary's Bank may provide you a specific Payment Privilege limit depending on the type of account you have. New consumer and business checking accounts will receive a \$100 introductory Payment Privilege limit at account opening. The Payment Privilege limit will be increased to \$500 for consumer accounts and \$750 for business accounts after 30 days if the account remains in good standing.

Recipients of federal or state benefits payments who do not wish us to deduct the amount overdrawn and the fee from funds that you deposit or that are deposited into your account may call us at 1-888-786-2791 to discontinue Payment Privilege.

Please be aware that the Payment Privilege amount is not included in your Available Balance displayed through online banking, mobile banking, telephone banking, or St. Mary's Bank ATMs.

HOW MUCH DOES PAYMENT PRIVILEGE COST?

When Payment Privilege is used, the Overdraft Fee of \$32 will be imposed for overdrafts created by checks, ACH, point-of-sale, ATM transactions, in-person withdrawals, or by other electronic means if your Available Balance is overdrawn more than \$15. If multiple items overdraw your account on the same day, each item will be assessed the appropriate fee. This is the same fee that we charge for items returned to the payee due to insufficient funds.

For consumer accounts, daily Overdraft Fees will not exceed \$160. For business accounts, daily Overdraft Fees will not exceed \$320. We will not charge an Overdraft Fee if an account Available Balance is overdrawn by \$15 or less.

All fees and charges will be included as part of the Payment Privilege limit amount. Your account may become overdrawn in excess of the Payment Privilege limit amount as a result of the assessment of a fee. The total negative balance, including all fees and charges, is due and payable upon demand. Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the **Information Concerning Your Accounts**.

WHAT IF I DON'T WANT PAYMENT PRIVILEGE?

You can request to discontinue Payment Privilege service in its entirety at any time by contacting us at 1-888-786-2791, visiting a branch, or sending a secure message through Online Banking. Without Payment Privilege, your insufficient funds items will be returned to the payee and/or declined at the point of purchase, unless you have Overdraft Protection available to cover the item(s). You will be charged the standard Returned Item Fee of \$32 for all returned items.

WHAT TYPES OF TRANSACTIONS DOES PAYMENT PRIVILEGE COVER?

The types of transactions covered by Payment Privilege depend on the coverage selected. See the chart to the right for more information.

If you choose Extended Coverage, all the transaction types listed in Standard Payment Privilege Coverage are included, along with ATM transactions and everyday debit card transactions. St. Mary's Bank will not authorize overdrafts for everyday debit card and ATM transactions on consumer accounts unless you give us your consent to pay these overdrafts by electing Extended Coverage. Business accounts automatically have Extended Payment Privilege Coverage.

	Standard Payment Privilege Coverage (No action required)	Extended Payment Privilege Coverage (Your consent required*)
Checks	X	X
ACH - Automatic Debits	X	X
Recurring Debit Card Transactions	X	X
Online Bill Pay Items	X	X
In-Person Withdrawals	X	X
ATM Transactions		X*
Everyday Debit Card Transactions		X*

*Per item presented means each time an item is presented, including representations.

WHAT IF I WANT ST. MARY'S BANK TO PAY MY ATM AND EVERYDAY DEBIT CARD OVERDRAFTS (EXTENDED COVERAGE)?

If you want us to authorize and pay overdrafts caused by ATM and everyday debit card transactions (Extended Coverage), please call 1-888-786-2791 or visit any branch location.

PLEASE NOTE: Business accounts automatically have access to Payment Privilege Standard and Extended Coverage.

WHAT ELSE DO I NEED TO KNOW?

- For Consumer accounts, a sweep from your savings account or line of credit may be less expensive than an overdraft (ATM or debit card transactions not covered).
- A single larger overdraft will result in one fee, instead of multiple smaller overdrafts. Use mobile banking, online banking, and telephone banking services to track your balance. **For financial education resources, please visit www.mymoney.gov.**
- The \$32 Overdraft Fee that is charged if you overdraw your account is the same fee that is charged if an item is returned as unpaid. If multiple items overdraw your account on the same day, each item will be assessed an appropriate Overdraft Fee or a NSF Fee of \$32. All fees and charges will be included as part of the Payment Privilege limit amount. Your account may become overdrawn more than the Payment Privilege limit amount because of a fee.
- Recipients of federal or state benefits payments who do not wish us to deduct the amount overdrawn and the Overdraft Fee from funds that you deposit or that are deposited into your account may call us at 1-888-786-2791 to discontinue Payment Privilege.
- If an item is returned because the Available Balance (as defined below) in your account is not sufficient to cover the item and the item is presented for payment again, St. Mary's Bank ("we") may charge a Returned Item Fee each time it returns the item because it exceeds the Available Balance in your account. Because we may charge a Returned Item Fee each time an item is presented, **we may charge you more than one fee for any given item as a result of a returned item and representation of the item.** When we charge a Returned Item Fee, the charge reduces the Available Balance in your account and may put your account into (or further into) overdraft. If, on re-presentation of the item, the Available Balance in your account is sufficient to cover the item we may pay the item, and, if payment causes an overdraft, charge an Overdraft Fee. We may use the terms "item" and "transaction" interchangeably.
- For consumer accounts, there is a fee limit of \$160 per day that we will charge. For Business accounts, there is a limit of \$320 per day that we will charge. We will not charge an Overdraft Fee if an account Available Balance is overdrawn by \$15 or less.
- Our policy is to process electronic transactions (ATM, Point of Sale transactions and Bill Pay) first, in the order they are received on the day they are processed. We process automatic payment (ACH transactions) second, by dollar amount—smallest to largest on the day they are processed. We process checks third, by dollar amount—smallest to largest on the day they are processed. However, because of the many ways we allow you to access your account, the posting order of individual items may differ from these general policies. Holds on funds (described herein) and the order in which transactions are posted may impact the total amount of Overdraft Fees or Returned Item Fees assessed.
- Payment Privilege is not a line of credit—it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in *Information Concerning Your Accounts*. The total (negative) balance, including all fees and charges, is due and payable upon demand.
- We may be obligated to pay some debit card transactions that are not authorized through the payment system but which we are required to pay due to the payment system rules, and as a result you may incur fees if such transactions overdraw your account. However, we will not authorize debit card or ATM transactions unless your account's Available Balance (including Overdraft Coverage Options) is sufficient to cover the transactions and any fee(s).
- Giving us your consent to pay everyday debit card and ATM overdrafts on your

consumer account (Extended Coverage) may result in you incurring Overdraft Fees for transactions that we would otherwise be required to pay without assessing an Overdraft Fee. However, this would allow us to authorize transactions up to the amount of your Payment Privilege limit. If you consent to Extended Coverage on your consumer account, it will remain on your account until it is otherwise withdrawn.

Understanding your Available Balance: Your account has two kinds of balances—the Ledger Balance and the Available Balance.

- We authorize and pay transactions using the Available Balance.
- Your Ledger Balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending.
- Your Available Balance is the amount available to you to use for purchases, withdrawals, or to cover transactions. The Available Balance is your Ledger Balance, less any holds due to pending debit card transactions and holds on deposited funds.
- The balance used for authorizing checks, ACH items, and recurring debit card transactions is your Available Balance plus the amount of the Payment Privilege limit and any available Overdraft Protection.
- The balance used for authorizing ATM and everyday debit card transactions on accounts with Standard Coverage is your Available Balance plus any available Overdraft Protection, but does NOT include the Payment Privilege limit.
- The balance used for authorizing ATM and everyday debit card transactions on accounts with Extended Coverage is your Available Balance plus any available Overdraft Protection and includes the Payment Privilege limit.
- Because your Available Balance reflects pending transactions and debit holds, your balance may appear to cover a transaction; but later upon settlement, it may not be sufficient to cover such transaction. In such cases, the transaction may further overdraw your account and be subject to additional overdraft fees. You should assume that any item that would overdraw your account based on your Available Balance may create an overdraft. Note that we may place a hold on deposited funds in accordance with our *Information Concerning Your Accounts*, which will reduce the amount in your Available Balance.
- Please be aware that the Payment Privilege amount is not included in your Available Balance provided through online banking, mobile banking, or St. Mary's Bank's ATMs.
- We 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 Overdraft Fee may be assessed.
- Except as described herein, we will not pay items if the Available Balance in your account (including the Payment Privilege limit, if applicable) is not sufficient to cover the item(s) and the amount of any fee(s).

Understanding Payment Privilege Limits

- New consumer and business checking accounts will receive a \$100 introductory Payment Privilege limit at account opening that will be increased to \$500 for consumer accounts or to \$750 for business accounts after 30 days in good standing.
- Payment Privilege may be reduced to \$100 or suspended 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 end of day balance within 30 days for a minimum of one business day. You must bring your end of day account balance positive to have the Payment Privilege limit reinstated.

If you have questions about Overdraft Protection or Payment Privilege, please call us at 1-888-786-2791 or visit a branch.