

# OVERDRAFT COVERAGE OPTIONS

## OVERDRAFT PRIVILEGE AND OVERDRAFT PROTECTION

Life happens! We understand that unexpected overdrafts occur from time to time - overdraft coverage can help. The choice is yours, consider these ways to cover overdrafts:

Overdraft Protection Plan Options	Cost
Overdraft Protection Transfer Service from another deposit account <sup>1</sup>	\$10 fee per transfer, transfers in \$100 increments (subject to funds availability in the transferring account)
Ready Cash Reserve line of credit <sup>1, 2</sup>	Subject to \$10 transfer fee + interest, transfers in \$100 increments (subject to the remaining availability under the line of credit)

<sup>1</sup>Call us at the number on the back of your debit card, or stop by a banking center to sign up or apply for these services; <sup>2</sup>subject to credit approval.

The **overdraft protection plans** described above may help prevent overdrafts by automatically transferring funds to your checking account from another checking, savings or money market account or line of credit you may have at the Bank for a fee or finance charge. Please note that Ready Cash Reserve lines of credit are subject to credit approval. These services may be less expensive than Overdraft Privilege.

In addition to the Overdraft Protection Plans, the Bank offers Overdraft Privilege to eligible accounts.

Service	Cost
Overdraft Privilege	\$35 Overdraft Fee per item. Daily \$5 Continuous Overdraft fees may apply if overdrawn 5 consecutive business days or more

**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 an overdraft protection plan, Overdraft Privilege is still available as secondary coverage if the other protection source is exhausted.

Transactions covered with Overdraft Privilege	Standard Coverage (No action required)	Extended Coverage (Your consent required)*	If you would like to select Extended Coverage for future transactions:  <ul style="list-style-type: none"> <li>· Call us at the number on the back of your debit card</li> <li>· Log into Online Banking, choose "Customer Service" from the top menu, then click "Change ATM/Debit Card Overdraft"</li> <li>· Visit any banking center</li> <li>· Complete the enclosed consent form and mail it to us at PO Box 26368, Kansas City, MO 64196-6368</li> </ul>
Checks	X	X	
ACH - automatic debits	X	X	
Recurring debit card payments	X	X	
Bill Pay and People Pay items	X	X	
Online & Mobile Banking transfers	X	X	
Telephone transfers	X	X	
Teller transactions	X	X	
All other debit transactions	X	X	
ATM transactions		X*	
Everyday debit card transactions		X*	

\*If you choose Extended Coverage on your consumer account, **ATM withdrawals and everyday debit card transactions** will be included with the transactions listed under Standard Coverage. If you already have Extended Overdraft Privilege coverage, it is not necessary to request it again. Business accounts automatically have Extended Coverage.

*Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice. With Overdraft Privilege, we pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.*

You can discontinue the Overdraft Privilege in its entirety by contacting us at the number on the back of your debit card, signing into Online Banking, or visiting a local banking center.

## Additional Information about Overdraft Privilege

- A link to another account or a line of credit may be a less expensive option than incurring an overdraft fee. 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, online banking, and telephone banking services to keep track of your balance. For additional financial education resources, please visit [www.mymoney.gov](http://www.mymoney.gov).
- The **\$35** Overdraft Fee is the same fee amount that is charged if an item, other than a debit-card or ATM transaction (which are declined without a fee), 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 Return Item Fee of **\$35**. 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.
- If an item, other than a debit-card or ATM transaction, is returned/declined because you don't have a sufficient available balance plus your various overdraft sources, which could include your Overdraft Privilege limit (overdraft tolerance) (as described below) and/or in accounts linked to cover the item and the item is presented for payment again, the Bank will assess a Return Item Fee each time it returns the item. If on re-presentation of the item, the Overdraft Privilege limit in your account is sufficient to cover the item, the Bank may pay the item and, if the payment causes an overdraft, charge an Overdraft Fee. If on re-presentation of the item, your Overdraft Privilege limit is still insufficient to cover the item, the Bank may return the item and charge an additional NSF fee.
- If your account's ledger balance remains overdrawn five (5) consecutive business days, beginning on the 5th business day we will charge you a five dollar (**\$5**) continuous overdraft fee each business day until your account's ledger balance is brought to a positive balance. This fee is in addition to any per item overdraft fees.
- For consumer accounts, there is a limit of five (5) Overdraft Fees (\$175) per day we will charge. We will not charge an Overdraft Fee if the transaction is less than one dollar (\$1) or if a consumer account's ledger balance is overdrawn by five dollars (\$5) or less. These exceptions do not apply to business accounts.
- This describes the posting order for purposes of determining overdrafts. Our current practice is to (i) process and post deposits and credits to your Account before we process, post and pay items and (ii) unless noted otherwise below, process, post and pay items in smallest dollar value to largest dollar value within the following categories: CREDITS (1) Deposits, including client initiated transfers, (2) Incoming Wires, (3) Deposit correction credits, (4) Lockbox Deposits. DEBITS (5) Outgoing Wire transfers, (6) Stop Payment Fees, (7) Deposit correction debits, (8) Safe Deposit Box Rent, (9) ACH Debit including Bill Pay ACH items, (10) Client initiated transfers between accounts, (11) Debit Card purchases and ATM withdrawals, (12) Checks cashed by our tellers or presented in other client's deposits\*, (13) Checks including Bill Pay Checks, not included in #12\*, (14) Other service charges including NSF fees, maintenance fees, etc. \*Items post in check or serial number sequence. 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. Please refer to your Deposit Account Agreement and Disclosure and Funds Availability Policy and Substitute Check Policy Disclosure for additional information. Holds on funds (described below) and the order in which transactions are posted may impact the total amount of Overdraft Fees or Return Item Fees assessed.
- Although under payment system rules, the bank may be obligated to pay some unauthorized debit card transactions, the bank generally will not authorize debit card or ATM transactions unless the available balance (defined below) would cover the transactions and any fee(s). If a customer opts into Overdraft Privilege for everyday debit card and ATM transactions, however, the Bank will authorize and pay transactions that are within the customer's Overdraft Privilege limit (overdraft tolerance).
- Giving us your consent to pay every day debit card and ATM overdrafts on your consumer account 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 Overdraft Privilege limit.
- An overdraft fee may be assessed if a paid and posted transaction is greater than one dollar (\$1) and it results in a ledger balance that is overdrawn by more than five dollars (\$5). The only exception to this is for customers who do not opt into Overdraft Privilege for everyday debit card and ATM transactions and have a debit card transaction that is authorized with a sufficient available balance, but when paid creates a ledger balance that is overdrawn more than five dollars (\$5). For those and only those transactions, no overdraft fee will be assessed. The ledger balance is your account balance at the end of the business day after all transactions are deposited or paid from your account without considering any holds on deposits or for pending debit-card transactions. Your available balance may be less than your ledger balance because the bank may place a hold on your account for things like certain deposited funds in accordance with our Deposit Account Agreement and Disclosure and for pending debit card transactions that have been authorized but have not settled, been posted to your account, and been paid.
- The bank authorizes ATM and every day debit card transactions using the available balance in your account. The available balance for ATM and everyday debit card transactions on accounts with Standard Coverage is the ledger balance, less any holds, the two most common holds are pending debit card holds and any holds on your deposits. If you have any overdraft protection sources selected for

your debit card and ATM transactions, the balance to authorize transactions will be your available balance plus any available overdraft protection. If you opt-in Extended Overdraft Privilege, the balance to authorize transactions will be your available balance plus any overdraft protection sources plus your Overdraft Privilege limit.

- Please be aware that the Overdraft Privilege amount is not included in your available balance provided through online banking, mobile banking or the bank's ATMs. Note that the available balance shown at the ATM is not the same balance that is used to authorize debit card and ATM transactions if you have overdraft protection and/or opted in for extended coverage.
- The bank will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two or three business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction or the transaction may exceed the amount of the hold. When the hold ends, the funds will be added to the available balance in your account. If your account has a ledger balance that is overdrawn more than five dollars (\$5) when the previously authorized debit card transaction settles and is posted an Overdraft Fee may be assessed if you have opted in to Extended Overdraft Privilege. This Overdraft Fee only applies to transactions that are greater than one dollar (\$1).
- The bank may suspend your debit card(s) if you incur unauthorized overdrafts in excess of your balance. The balance used to suspend debit card(s) is comprised of the ledger balance, excluding any holds on deposited funds, plus the amount of the Overdraft Privilege limit (for Extended Coverage only) and any available overdraft protection. Debit cards on your account will remain suspended until you make sufficient deposits so that your balance, taking into account any Overdraft Privilege limit for Extended Coverage, is positive and you contact us.
- The bank may suspend your debit card if your account's ledger balance is overdrawn more than 32 consecutive calendar days. Debit cards on your account will remain suspended until you make sufficient deposits so that your ledger balance is positive and you contact us.
- The bank may also suspend your debit card if we are unable to contact you due to an incorrect mailing address or Phone Number(s). You must contact us with your correct mailing address and/or Phone Number(s) to have your debit card reinstated.
- If your debit card is suspended, you will be unable to use your debit card for purchases or to access your account(s) associated with debit card(s) at the ATM while your debit card is suspended. 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. With Overdraft Privilege, we pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.
- Overdraft Privilege limits of up to \$750 are available for eligible Consumer Checking accounts opened at least 30 days in good standing and up to \$1,000 for eligible Business Checking accounts opened at least 60 days in good standing; prior to this time, a provisional limit of \$100 may be applied to your account unless you have withdrawn from Overdraft Privilege entirely. For consumer accounts: If you consent to Extended Overdraft Privilege, it will remain on your account until you otherwise withdraw it or if Overdraft Privilege has been permanently discontinued on your account.
- Overdraft Privilege may be reduced/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 balance within 32 calendar days for a minimum of one business day. You must bring your ledger balance positive for at least one business day to have the full Overdraft Privilege limit reinstated.
- 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 Agreement and Disclosure. The total (negative) balance, including all fees and charges, is due and payable upon demand.

**If you have any questions about Overdraft Protection Plans or Overdraft Privilege, please call us at the number on the back of your debit card, or visit a banking center.**

**All fees are subject to Gross Receipt Tax in New Mexico; these taxes will be added to the stated fees.**