



Overdraft Privilege (ODP) is a service The Fairfield National Bank provides to our checking account customers to cover inadvertent overdrafts. The service is subject to the eligibility criteria and other constraints as explained below.

- **You are NOT required to have this service on your account-**You may opt-out at any time.
- **The payment of overdrafts is not guaranteed-**With ODP we will generally pay your overdraft items up to \$800 (effective 11/15/16) 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 you have too many overdrafts. We pay items based on the available balance in your account. The available balance is your ledger balance minus any holds.
- **You will be charged an overdraft fee for each insufficient item paid into overdraft-**You will be charged our normal overdraft or return item fee currently \$30 for each item that is presented. When more than one overdraft item is presented and paid, multiple overdraft fees may be charged. Also, if your account is overdrawn for 5 or more consecutive business days, we will charge an additional \$30 every 5 business days. Both the amount of the overdraft items and all other fees, including but not limited to overdraft fees, are included in your \$800 overdraft limit.
- **Suspension of Overdraft Privilege-** If you overdraw your account, you must return the account to a positive balance within 30 days, or your Overdraft Privilege will be suspended. Your Overdraft Privilege may be suspended if you fail to meet our eligibility criteria and if we believe you are not managing your account in a responsible manner which may harm you or the Bank.
- **Deposits to Overdrawn Accounts -** All deposits to overdrawn accounts are applied to the negative balance.
- **Closing of Overdrawn Accounts-**Checking accounts that remain overdrawn for 45 days consecutive calendar days will be closed and charged off.
- **Excessive Use -** ODP is not designed to be used as a permanent solution for financial needs. The Bank monitors accounts for excessive use and we may remove ODP if we believe you are not managing your account in a responsible manner which may harm you or the Bank.

Overdraft Protection Options. There are other overdraft protection options available to you which may be less costly.

Product/Service	Description	Cost
<i>Transfer from another account (ATS)</i>	If you have other accounts with us, you can authorize us in advance to transfer the funds needed to cover overdrafts	\$6 per transfer
<i>Overdraft Line of Credit</i>	This product requires you to complete an application and approval and Annual Percentage Rate (APR) are based on your credit worthiness.	APR and annual fee

Eligibility Criteria - No application is required; eligibility is at the discretion of the Bank. You may not be granted ODP if:

- You do not bring your account to a positive balance within 30 days of becoming overdrawn.
- Your account type is not eligible
- You are more than 30 days past due on any Bank loan or delinquent on any other obligation to the Bank
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding
- You have an outstanding Overdraft Repayment Plan balance
- Your account is being reviewed for fraudulent activity
- The primary account owner is less than 18 years old
- A negative indicator has been reported to us
- Your account is classified as inactive
- You have an unresolved prior loss with the Bank



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- We believe you are not managing your account in a responsible manner which may harm you or us
- We do not have a valid address for you

Transactions Eligible for Overdraft Privilege Coverage:

- Checks
- Internet banking
- ATM *
- ACH transactions
- Preauthorized automatic transfers
- Everyday Debit Card*
- In-person withdrawals
- Telephone banking

***ATM/Everyday Debit Card Transactions** - Overdraft Privilege will only be available for ATM and everyday debit card transactions if you authorize the Bank to pay those transaction types (see ATM/Debit Card Consent Form). If you authorized ODP for ATM transactions, please verify your available balance before initiating an ATM withdrawal.

Overdraft Privilege Opt Out - If you do not want to have Overdraft Privilege, simply contact us and we will provide you an opt out form to remove this benefit from your account. If you opt-out, you may still be charged our \$30 returned item fee. 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.

Payment Order of Items - Items presented for payment may not be processed in the same order as they were received and that order may affect the total fees assessed to your account. Generally the first items that we pay are ATM withdrawals, debit card transactions, and any checks cashed by our employees or that you have written to us. We then pay any items that were submitted electronically, such as ACH items, preauthorized automatic transfers, telephone-initiated transfers and any other electronic transfers. Finally, we pay the remaining items based on smallest to largest dollar amount.

NOTE: Holds placed on your available account balance for pending debit card/electronic transactions, including gasoline, hotel/rental car deposits, etc, may reduce your available balance and cause your account to become overdrawn. Your available balance is your ledger balance minus any holds.

Financial Education – The Bank believes that financial literacy and education helps consumers make informed decisions. Awareness of personal financial responsibility allows consumers to realize the benefits of responsible money management, understand the credit process and the availability of help if problems occur. **MyMoney.gov** is the federal government’s website for federal financial literacy and education programs, grants and other information.

Checking 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 ODP 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 or Bank’s performance there under, 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 November 15, 2016.