

# OVERDRAFT COVERAGE OPTIONS



**Life happens! Macatawa Bank understands that unexpected overdrafts occur from time to time - Overdraft Coverage can help.**

An overdraft occurs when you do not have sufficient funds in your account to cover a transaction.

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

| OVERDRAFT COVERAGE SERVICES  |   |   |
|--|---|---|
| <p><b>Balance Protection Services (available to eligible consumers only)</b> apply to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account or line of credit you may have with Macatawa Bank for a fee or finance charge. Please note that overdraft lines of credit are subject to credit approval.</p> |   |   |
| <b>Option 1:</b>   | Link your Macatawa Bank personal checking account to an alternate personal checking, savings, or money market account to automatically transfer funds when overdrawn. | \$10.00 fee per transfer                                |
| <b>Option 2:</b>   | Link your Macatawa Bank personal checking account to a personal Overdraft Line of Credit (subject to approval) to automatically transfer funds when overdrawn.        | \$10.00 fee per transfer and subject to fees + interest |
| <b>Overdraft Privilege (available to eligible consumers and business accounts)</b>   |   |   |
|  | A discretionary service that allows you to overdraw your account for certain transactions up to the disclosed limit.  | \$35.00 fee per item*                                   |

\* Per Item presented means each time an item is presented, including representations. It is not our practice to charge for the same items (a representation) when we have knowledge that the item is a representation. When an item is presented for payment, if the sender has not coded the item as a representation, the bank would not have knowledge that the item is a representation.

| OVERDRAFT PRIVILEGE   |  |   |   |
|---|--|---|---|
| <p><b>Overdraft Privilege</b> allows you to overdraw your account up to the disclosed limit for a fee in order to pay a transaction. Even if you have Balance Protection, Overdraft Privilege is still available as secondary coverage if the other protection source is exhausted.</p> |  |   |   |
| Transactions Covered with Overdraft Privilege   | Standard Coverage Applies (No action required) | Extended Coverage Applies (Your consent required) | <p><b>If you would like to select Extended Coverage for future transactions:</b></p> <ul style="list-style-type: none"> <li>• call us at (877) 820-2265, or</li> <li>• visit any branch location</li> </ul> |
| Checks:   | X  | X   |   |
| ACH - Auto Debits:  | X  | X   |   |
| Recurring Debit Card Payments:  | X  | X   |   |
| Online Bill Pay Items:  | X  | X   |   |
| Teller Cash Transactions:   | X  | X   |   |
| ATM Withdrawals:  |  | X   |   |
| Everyday Debit Card Purchases:  |  | X   |   |

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

**Account Agreement** - The **Terms & Conditions** and your account **Truth in Savings Disclosure** provided to you at the time you opened your account describes the duties, obligations, and rights of Depositors, Authorized Signatories, and the Bank with regard to your deposit account. The **Terms & Conditions** and all amendments thereto shall control any possible conflict, if any, between any provision of this discretionary **Overdraft Coverage Options Disclosure**, the Deposit Account Signature Card, and the **Truth in Savings Disclosure**, of which a copy is available to you upon request.

**Financial Education** - The Bank believes that financial literacy and education helps consumers make informed decisions. Please contact your Macatawa Bank representative to learn more about ways to keep you informed about the balance and transactions in your account, how to responsibly manage your funds, and how to protect yourself from overdrafts.

To enroll in these services, please stop by any of our convenient branch locations. You may also discontinue your use of **Balance Protection** or **Overdraft Privilege** by contacting us at (877) 820-2265, or by visiting any branch location.

## What Else You Should Know

- A link to another account may be less expensive than an overdraft. A single larger overdraft will result in one fee, instead of multiple smaller overdrafts. Use our mobile, internet, and telephone banking services to track your balance. For financial education resources, please visit [www.mymoney.gov](http://www.mymoney.gov).
- The \$35 ODP / NSF Paid Item 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 ODP / NSF Paid Item Fee or a ODP / NSF 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 more than the Overdraft Privilege limit amount because of a fee.
- For consumer accounts, there is a limit of 3 ODP / NSF Paid Item Fees (\$105) per day we will charge. These exceptions do not apply to business accounts.
- Recipients of federal or state benefits payments who do not wish us to deduct the amount overdrawn and the ODP / NSF Paid Item Fee from funds that you deposit or that are deposited into your account may call us at 1-877-820-2265 to discontinue Overdraft 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, Macatawa Bank ("We") will charge a ODP / NSF Return Item Fee each time we return the item because it exceeds the Available Balance in your account. Because we may charge an ODP / NSF Return 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 representment of the item.** It is not our practice to charge for the same items (a representment) when we have knowledge that the item is a representment. When an item is presented for payment, if the sender has not coded the item as a representment, the bank would not have knowledge that the item is a representment. When we charge a ODP / NSF Return Item Fee, the charge reduces the Available Balance in your account and may put your account into (or further into) overdraft. If, on representment 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 ODP / NSF Paid Item Fee.
- Macatawa Bank reserves the right to determine the order in which items will be paid and returned (if any). Generally, for each business day, we will first post deposits and credits to your account received before the daily cut off time, followed by various categories of payments, ATM withdrawals, online banking transactions, debit card transactions, teller cash withdrawals, ACH transactions, checks you write in check number order (starting with the lowest number), and transfers. 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 ODP / NSF Paid Item Fees or ODP / NSF Return Item Fees assessed.
- Overdraft 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 the Terms and Conditions. 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 ODP / NSF Paid Item Fees for transactions that we would otherwise be required to pay without assessing an ODP / NSF Paid Item Fee. However, this would allow us to authorize transactions up to the amount of your Overdraft 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 Overdraft Privilege limit and any available Balance Protection.
- The balance used for authorizing ATM and everyday debit card transactions on accounts with Standard Coverage is your Available Balance plus any available Balance Protection but does NOT include the Overdraft 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 Balance Protection and includes the Overdraft 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 which 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 Funds Availability Disclosure, which will reduce the amount in your Available Balance.
- Please be aware that the Overdraft Privilege amount is not included in your Available Balance provided through online banking, mobile banking or Macatawa 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 ODP / NSF Paid Item Fee may be assessed.
- Except as described herein, we will not pay items if the Available Balance in your account (including the Overdraft Privilege limit, if applicable) is not sufficient to cover the item(s) and the amount of any fee(s).

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

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