

What You Need To Know About Overdrafts and NSF Paid Item 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 in two different ways:

1. We have **standard overdraft practices** that come with your account.
2. We also offer **overdraft protection plans**, such as a link to another account, which may be less costly than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our **standard overdraft practices**.

> **What are the standard overdraft 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 **will not** authorize and pay overdrafts for the following types of transactions without your consent.

- 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 INSOUTH Bank pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a **fee of \$35 each** time we pay or return an item that overdraws your account more than \$5.
- We will not charge you a fee if your account is overdrawn by \$5 or less.
- If your account is overdrawn for four (4) or more consecutive business days, we will charge an additional **\$6** for each of the consecutive business days the account remains overdrawn, beginning on day four.
- There is a limit of five (5) total NSF Paid item fees and/or NSF Return Item fees per day we can charge you for overdrawing your account for a total of \$175 per day.

What if I want INSOUTH Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call 800-541-3891, complete the form below and present it at any branch or mail it to: PO Box 129, Atoka, TN 38004. You can revoke your authorization for INSOUTH Bank to pay these overdrafts at any time by any of the above methods. Your revocation must include both your name and your account number so that we can properly identify your account.

_____ **I do not** want INSOUTH Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

_____ **I want** INSOUTH Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____

Date: _____

Account Number: _____

OVERDRAFT COVERAGE OPTIONS: OVERDRAFT PRIVILEGE AND OVERDRAFT PROTECTION

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

Overdraft Coverage Options

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

Service	Cost
Overdraft Protection Link to Another Account you have at INSOUTH Bank ¹	\$0 fee per transfer
Overdraft Privilege	<p>\$35 per item - NSF Paid Item Fee.</p> <p>\$6 Continuous Overdraft Fee - If your account is overdrawn for 4 or more consecutive business days, we will charge an additional \$6 for each consecutive business day the account remains overdrawn, beginning on day four.</p>

¹ Call us at 800-541-3891 or come by a branch to sign up for this service.

Overdraft Protection applies to all transactions and may help prevent overdrafts automatically transferring funds to your checking account from another account you have at INSOUTH Bank

Overdraft Privilege allows you to overdraw your account up to the disclosed limit for a \$35 NSF Paid item fee per item in order to pay a transaction. Even if you have overdraft protection, Overdraft Privilege is still available as secondary coverage if the other protection source is exhausted. Please review the **"What Else You Should Know"** section included with this letter for other important information.

Transactions Covered with Overdraft Privilege	Standard Coverage (No action required)	Extended Coverage (Your consent required on consumer accounts) *	<p>If you would like to select Extended Coverage for future transactions:</p> <ul style="list-style-type: none"> . call us at 800-541-3891, . visit any branch, . complete a consent form and mail it to us at: PO Box 129, Atoka, TN 38004
Checks	X	X	
ACH-Automatic Debits	X	X	
Recurring Debit Card Payments	X	X	
Online Bill Pay Items	X	X	
Internet Banking Transfers	X	X	
Telephone Banking	X	X	
Teller Window Transactions	X	X	
ATM Withdrawals		X*	
Everyday Debit Card Transactions		X*	

*If you choose Extended Coverage on your consumer account, **ATM 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.

You can discontinue the Overdraft Privilege at any time in its entirety by contacting us at 800-541-3891 or coming by any branch.

What Else You Should Know

- A link to another account you may have at INSOUTH Bank may be a less expensive option than an overdraft. 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, Internet banking, and telephone banking services to keep track of your balance. For additional financial education resources, please visit www.mymoney.gov.
- A \$35 NSF Paid Item fee is charged each time we pay a transaction that overdraws your account more than \$5. It is the same \$35 fee amount that is charged each time a check is returned unpaid as an NSF Return item. If multiple items overdraw your account on the same day, each item will be assessed an appropriate NSF Paid Item fee or an 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 NSF Paid Items Fees, NSF Return Item Fees, Continuous Overdraft Fees, or other fees such as monthly service charges or fees for bank services.
- If an item is returned because the available balance in your account is not sufficient to cover the item and the item is presented for payment again, INSOUTH Bank will charge an NSF Return item fee each time it returns the item because it exceeds the available balance in your account. If, on representation of the item, the available balance in your account is sufficient to cover the item INSOUTH Bank may pay the item, and, if payment causes an overdraft, charge an NSF Paid item fee.
- If your account is overdrawn for four (4) or more consecutive business days, we will charge an additional \$6 for each consecutive business day the account remains overdrawn, beginning on day four.
- For consumer accounts, the maximum amount of NSF Paid Item fees and/or NSF Return Item fees that will be charged to a customer's account is five (5) per day for a total of \$175 per day. We will not charge an NSF Paid Item fee if a consumer account is overdrawn by \$5 or less. **These exceptions do not apply to business accounts.**
- This describes the posting order for purposes of determining overdrafts. Our general policy is to post items throughout the day and to post credits before debits. INSOUTH Bank's current posting order is ATM/POS transactions (lowest to highest dollar amount), Teller Cashed Checks (check number sequence or lowest to highest dollar amount if there is not check number), ACH Transactions (lowest to highest dollar amount), Checks besides Teller Cashed Checks & Inclearing Checks (check number sequence), and Inclearing Checks (check number sequence). Because of the many ways we allow you to access your account, the posting order of individual items may differ from this general policy. Holds on funds (described herein) and the order in which transactions are posted may impact the total amount of NSF Paid Item fees or NSF Return Item fees assessed.
- Although under industry payment system rules INSOUTH Bank may be obligated to pay some unauthorized debit card transactions, INSOUTH Bank 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 every-day debit card and ATM overdrafts on your consumer account (Extended Coverage) may result in you incurring NSF Paid Item fees for transactions that we would otherwise be required to pay without assessing a fee. However, this would allow us to authorize transactions up to the amount of your Overdraft Privilege limit and may also help you avoid overdrafts in excess of your available balance. If you consent to extended coverage on your consumer account, it will remain on your account until it is otherwise withdrawn.
- INSOUTH Bank authorizes and pays transactions using the available balance in your account. INSOUTH Bank may place a hold on deposited funds in accordance with our Funds Availability Disclosure, which will reduce the amount of your available balance. The available balance for checks, ACH items, and recurring debit card transactions is comprised of the ledger balance, less any holds on deposited funds and any debit card holds, plus the amount of the Overdraft Privilege limit and any available overdraft protection. The available balance for ATM and everyday debit card transactions on accounts with Standard Coverage is the ledger balance, less any holds on deposited funds and any debit card holds, plus any available overdraft protection, but does NOT include the Overdraft Privilege Limit. For accounts with Extended Coverage, the Overdraft Privilege Limit is included in the available balance for authorizing ATM and everyday debit card transactions.
- Please be aware that the Overdraft Privilege amount is not included in your available balance provided through online banking, mobile banking or INSOUTH Bank's ATMs.

- INSOUTH Bank 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 industry 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 NSF Paid Item fee may be assessed.
- Except as described herein, INSOUTH Bank may not pay items if your account's available balance (including the Overdraft Privilege limit, if applicable) is not sufficient to cover the item(s) and the amount of any fee(s).
- New Consumer and business checking accounts will receive a \$100 Introductory Overdraft Privilege limit at account opening. That Overdraft Privilege limit will be increased to \$700 or Increased to \$900 with Direct Deposit after 35 consecutive calendar days in good standing for consumer accounts. For business accounts, that Overdraft Privilege limit will be increased to \$700 or increased to \$900 with Direct Deposit after 60 consecutive calendar days in good standing
- Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Overdraft 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 balance within 32 consecutive calendar days from the date first overdrawn 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 reinstated. Reduced or suspended Overdraft Privilege Limits may result in the possibility of your ATM or everyday debit card transactions being declined or the inconvenience of checks or ACH items being returned. This may expose you to fees assessed by merchants to whom those items are returned.
- 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 Agreements and Disclosures. The total (negative) balance, including all fees and charges, is due and payable upon demand.

If you have any questions about Overdraft Protection or Overdraft Privilege, please call us at 800-541-3891 or visit any branch.