

**Options for Covering
Unexpected Overdrafts**

Life happens! First National Bank of Muscatine 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
Our Overdraft Protection Services (OOPS) ¹	\$5 (Plus tax if coming from a checking account) per transfer fee
Personal Reserve Account (PRA) ^{1, 2}	Subject to interest and \$20 annual fee
Overdraft Privilege	\$27.00 Overdraft Fee per item.

¹Call us at (563) 263-4221, email us at ODPAdmin@fndmusc.com, or come by a branch to sign up or apply for these services; ²subject to credit approval.

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 may have at First National Bank of Muscatine for a fee or finance charge. Please note that overdraft lines of credit are subject to credit approval.

Overdraft Privilege allows you to overdraw your account up to the disclosed limit for a fee 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) *	If you would like to select Extended Coverage for future transactions: <ul style="list-style-type: none"> • call us at (563) 263-4221 • complete the online consent form found at www.fnbmusc.com • visit any branch • complete the enclosed consent form and mail it to us at 300 E. 2nd St., Muscatine, IA 52761 • e-mail us at ODPAdmin@fndmusc.com
Checks	X	X	
ACH - Automatic Debits	X	X	
Recurring Debit Card Transactions	X	X	
Online Bill Pay Items	X	X	
Internet Banking Transfers	X	X	
Telephone Banking	X	X	
Teller Window Transactions	X	X	
ATM Transactions		X*	
Everyday Debit Card Transactions		X*	

*If you choose Extended Coverage, **ATM transactions and everyday debit card transactions** will be included with the transactions listed under Standard Coverage.

You can discontinue Overdraft Privilege in its entirety by contacting us at (563) 263-4221 or sending us an email at ODPAdmin@fndmusc.com.

What Else You Should Know

- A link to another account or a line of credit 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.
- The \$27 Overdraft Fee that is charged if you overdraw your account is less than the 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 Return Fee of \$30. 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.
- 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, First National Bank of Muscatine will charge a Return Fee each time it returns the item because it exceeds the available balance in your account. If, on re-resentation of the item, the available balance in your account is sufficient to cover the item First National Bank of Muscatine may pay the item, and, if payment causes an overdraft, charge an Overdraft Fee.
- For consumer accounts, there is a limit of 8 Overdraft Fees (\$216) per day we will charge. We will not charge an Overdraft Fee if a consumer account is overdrawn by \$2 or less or if the amount of the item is \$2 or less. These exceptions do not apply to business accounts.
- This describes the posting order for purposes of determining overdrafts. We post items in the following order: 1) credits, 2) ATM and debit card transactions (in the order received), 3) Debit Memos, 4) ACH debits (low to high by dollar amount), 5) checks (check number order). 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 below) and the order in which transactions are posted may impact the total amount of Overdraft Fees or Return Fees assessed.
- Although under payment system rules, First National Bank of Muscatine may be obligated to pay some unauthorized debit card transactions, First National Bank of Muscatine 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 Overdraft Privilege limit and may also help you avoid overdrafts in excess of your available balance that could result in suspension of your debit card. If you consent to Extended Coverage on your consumer account, it will remain on your account until it is otherwise withdrawn.
- First National Bank of Muscatine authorizes and pays transactions using the available balance in your account. First National Bank of Muscatine may place a hold on deposited funds in accordance with our Deposit Account Agreement and Disclosure, which will reduce the amount in 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 First National Bank of Muscatine's ATMs.
- First National Bank of Muscatine 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, First National Bank of Muscatine 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).
- First National Bank of Muscatine may suspend your debit card if you incur overdrafts in excess of the available balance in your account, including any Overdraft Privilege limit (as described herein). Debit cards on your account will remain suspended until you make sufficient deposits so that your available balance, taking into account any Overdraft Privilege limit, is positive and then you contact us.
- First National Bank of Muscatine may also suspend your debit card if your account is overdrawn more than 35 consecutive calendar days. Debit cards on your account will remain suspended until you make sufficient deposits so that your account balance is positive.
- First National Bank of Muscatine 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(s) for purchases or to access your account(s) associated with the 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).
- 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 \$1,000 after 30 in good standing for business accounts.
- 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 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 35 days for a minimum of one business day. Your account balance must remain positive for 180 calendar days 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 or Overdraft Privilege, please call us at (563) 263-4221 or visit a branch.