

Traditional Bank Overdraft Privilege Service and Overdraft Protection Plan Descriptions

Overdraft Privilege Service

When you make a mistake or write a check for more money than you have in your checking account, we have a discretionary overdraft privilege service that may help. Of course, we cannot promise to pay every overdraft. But if your eligible account is maintained in good standing, **rather than automatically returning an unpaid non-sufficient funds item**, we will consider paying reasonable overdrafts (without obligation to pay any overdraft).

Your account will be charged the normal overdraft item fee for each item that creates an overdraft. We will send you a notice each time an overdraft occurs on your account.

- Overdraft Item Charge \$32.00 per item
- Maximum daily overdraft charge limited to \$160.00 (5 items paid)
- Overdraft per item fees waived on accounts that are overdrawn \$5.00 or less
- Overdrawn Account Charge.....\$15.00 for every five (5) consecutive business days overdrawn

Overdraft privilege is another good reason for banking with Traditional Bank. This discretionary overdraft service requires no action on your part. It costs you nothing unless you use the service, by initiating checks, electronic funds transfer, ACH or other payment request for more than the amount of available funds you have on deposit in your account. In addition, with your authorization the same discretionary overdraft service can apply to ATM withdrawals and POS Debit Card transactions. **You may 'opt-out' of the overdraft privilege service at any time by calling 859-498-0414.**

We are not obligated to pay any item presented for payment if your account does not contain sufficient collected funds even if we have previously paid such items. *Some restrictions apply. See the Overdraft Privilege Service Description. Alternative overdraft protection plans such as linked deposit accounts or home equity line of credit (if qualified and approved) may be available and are described on the next page.

Overdraft Privilege Service Description

It is the policy of Traditional Bank to comply with applicable laws and regulations, and to conduct business in accordance with applicable safety and soundness standards.

An overdraft balance may result from: A) the payment of checks, electronic funds transfer, ACH, ATM withdrawal, Debit Card POS transactions, or other withdrawal request; B) Payments authorized by you; C) The return, unpaid, of items deposited by you; D) The imposition of bank service charges; or E) The deposit of items which according to the bank's funds availability policy, are treated as not yet "available" or finally paid.

We are not obligated to pay any item presented for payment if your account does not contain sufficient collected funds. Rather than automatically returning unpaid, any overdraft items that you may have, if your eligible account (primarily used for personal and household purposes) remains in good standing, which includes at least: A) You bring your account to a positive balance at least once every thirty days, B) You have not exceeded the overdraft privileged limit that is assigned to your account, C) You are not in default on any loan obligation to Traditional Bank, and D) Your account is not the subject of any legal or administrative order or levy, **we will consider, as a discretionary courtesy or service and not a right or obligation, approving your reasonable overdrafts.**

This discretionary service will generally be limited to a \$400 overdraft (negative) balance for Traditional Checking, \$700 overdraft (negative) balance for other eligible Personal Checking accounts, or a \$900 overdraft (negative) balance for other Personal Checking accounts.

Of course, any and all bank fees and charges, as set forth in the Schedule of Services will be applicable. Fees charged for overdrafts, as well as the amount of the overdraft item will be subtracted from any overdraft limit disclosed.

You may 'opt-out' of the overdraft privilege service at any time by calling (859) 498-0414.

We may refuse to pay an overdraft for you at any time, even though your account is in good standing and even though we may have previously paid overdrafts for you. You will be notified by mail of any overdraft item paid or non-sufficient funds item returned that you might have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdraft item plus our overdraft and/or non-sufficient funds charges that you owe us are due and payable upon demand.

LIMITATIONS: Available only to eligible personal checking accounts primarily used for personal and household purposes (business accounts, money market accounts and minor accounts are not eligible) and we may limit the number of accounts eligible for the overdraft privilege service to one account per household.

IMPACT OF TRANSACTION CLEARING: The payments you authorize against your account may not be presented to us in the order in which you authorized them. The order in which they are presented to us may affect the amount of the overdraft fees you incur. Electronic transactions (ATM withdrawals, POS Debit Card transactions, ACH items, and internal transfers) are posted first followed by checks that are presented and posted in serial number order.

***The overdraft privilege service** does not constitute an actual or implied agreement between you and the bank. Nor does it constitute an actual or implied obligation of or by the bank. This service represents a **purely discretionary** courtesy or privilege that the bank may provide to you from time to time and which may be withdrawn or withheld by the bank at any time without prior notice or reason or cause.

ATM and Every day debit card transactions: If you have previously authorized Traditional Bank to pay ATM and every day debit card transactions, and later decide to 'opt-out' of or are removed from participation in the Overdraft Privilege Service, the authorization to pay ATM and every day debit card transactions will also be removed.

Overdraft Protection Plans

The bank also offers Overdraft Protection Plans that consist of either linked deposit accounts or a Home Equity Line of Credit (if qualified and approved). These Plans will transfer funds into the account for which an overdraft is pending. The Home Equity Line of Credit requires the payment of interest on outstanding balances as properly disclosed under Regulation Z.

If the balance in the linked deposit account or the Home Equity Line of Credit is inadequate to cover the pending overdraft, then the item will be reviewed through the normal payment decision process for payment or return and the normal overdraft and or non-sufficient fund fees will apply.

Financial Education for Managing Personal Finances

For FDIC'S 'Money Smart' Financial Adult Education Visit:

www.FDIC.gov/consumers/consumer/moneysmart/adult.html

National Endowment for Financial Education

www.nefe.org/

FTC's "Choosing a Credit Counselor" Visit:

<http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre26.shtm>