

Effective October 1, 2019

## What You Need to Know about Overdrafts and Overdraft 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 a secondary checking or savings account (Account Sweep) or to a revolving line of credit (ReLi), which may be less expensive 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 do not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- 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 Woodforest pays my overdraft?

Under our standard overdraft practices:

- We will charge you a fee of **\$32** each time we pay an overdraft.
- If an item overdraws your account \$1.00 or less, we will not charge you a fee.
- There is a limit of 3 fees per day that we can charge you for overdrawing your account.

### ➤ What if I want Woodforest to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call us at 877-968-7962 or speak to a Retail Banker.

If you decide you no longer want to have your ATM and everyday debit card transactions authorized and paid, you may revoke your authorization at any time by contacting us at 877-968-7962 or by speaking to a Retail Banker. For complete details on our overdraft options see our Overdraft Services disclosure.

## **Consumer Overdraft Services** **Effective October 1, 2019**

**Effective October 1, 2019**, we will discontinue offering PrivilegePay<sup>®</sup>, an overdraft product, and your account will come with Standard Overdraft Practices, as described below and in accordance with our Terms and Conditions.

### Checks, Automated Payments (ACH items), and Recurring Debit Card Transactions:

As of **October 1, 2019**, your checks, automated payments, and recurring debit card transactions will be paid at our sole discretion. This means, we may pay these types of transactions when you do not have enough available funds in your account to cover the item, even if you previously did not Opt In to PrivilegePay<sup>®</sup>.

### ATM and Everyday Debit Card Transactions:

If your account is currently eligible for PrivilegePay<sup>®</sup> and you have Opted In for ATM and everyday debit card transactions, your Opt In will remain in place. This means, we may authorize and pay an ATM and everyday debit card transaction at our sole discretion, even when you do not have enough available funds in your account to cover the item. **After October 1, 2019**, we will continue to consider authorizing and paying these transactions, at our sole discretion.

If your account is currently not eligible or your account was previously removed from PrivilegePay<sup>®</sup>, you may Opt In for ATM and everyday debit card transactions at any time; your Opt In will be **effective October 1, 2019**. This means, beginning **October 1, 2019**, we may authorize and pay an ATM and everyday debit card transaction even when you do not have enough available funds in your account to cover the item, at our sole discretion.

### ReLi Unsecured Revolving Line of Credit and ReLi Secured Revolving Line of Credit which will be collectively referred to as "ReLi":

Previously, some customers with ReLi were restricted from having both PrivilegePay<sup>®</sup> and ReLi products on the associated account. Beginning **October 1, 2019**, all ReLi customers will have Standard Overdraft Practices with the associated account. This means, under Standard Overdraft Practices, when an advance from your ReLi is unavailable, your checks, automated payments, and recurring debit card transactions may be paid, at our sole discretion. You may Opt In for ATM and everyday debit card transactions at any time; your Opt In will be effective **October 1, 2019**.

### What Action Should You Take?

**No action is required; however, we recommend you confirm your current ATM and everyday debit card transaction Opt In selection. You may change or revoke your Opt In decision at any time by speaking with a Retail Banker or calling us at 1-877-968-7962.**

Please review the information below for complete details on Standard Overdraft Practices.

### **Overdrafts**

An overdraft occurs when you do not have enough money available in your account to cover a transaction, but we pay it anyway. We have Standard Overdraft Practices that come with your account. We also offer overdraft protection plans, such as a link to a secondary checking or savings account (Account Sweep) or a link to a revolving line of credit (ReLi), which may be less expensive than our Standard Overdraft Practices.

### **Standard Overdraft Practices:**

#### **Checks, Automated Payments (ACH items), and Recurring Debit Card Transactions**

When you do not have enough available funds in an account to cover a transaction item, at our sole discretion, we may honor that item. This will cause an overdraft on the account and the account will be charged associated fees.

Items include:

- Checks and other transactions made using your checking account number;
- Automated payments (ACH items), such as recurring bill payments; and
- Recurring debit card purchases, such as television service subscriptions.

NOT covered: ATM and everyday debit card transactions, such as groceries or gasoline.

## **ATM and Everyday Debit Card Transactions**

We do not authorize and pay overdrafts for ATM and everyday debit card transactions unless you ask us to by opting in for these transactions. If you Opt In and we authorize and pay an item, it will cause an overdraft on the account and the account will be charged associated fees.

Items covered:

- ATM transactions; and
- Everyday debit card transactions, such as groceries or gasoline.

If we do not authorize and pay an overdraft, your transaction will be declined.

We pay overdrafts at our sole discretion, which means we do **NOT GUARANTEE** we will always authorize and pay any type of transaction. We are under no obligation to pay items when an account has insufficient funds, regardless if previous transactions were paid.

When using our discretion to pay an insufficient item, we consider whether your account is in good standing. We may determine that your account is not in good standing by evaluating all aspects of your account activity; such as, whether you are making regular deposits, you have too many overdrafts, or your account has been overdrawn for thirty-five (35) days or more. If your account is no longer in good standing, whenever possible, transactions will only be authorized and paid if you have available funds in your account at the time of the transaction. Your account may be evaluated at a later time to determine whether your account returns to a good standing. However, if you have incurred what we deem to be an excessive amount of overdraft related fees, then your account(s) will no longer be considered for our Standard Overdraft Practices. As such, whenever possible, transactions will only be authorized and paid if you have available funds in your account(s) at the time of the transaction.

If you do not want us to consider any type of transaction for payment with Standard Overdraft Practices, you may Opt Out by speaking with a Retail Banker or calling us at 1-877-968-7962.

## **Fees**

- One (1) **\$32 (NSF) insufficient item fee** is charged each time an item is returned unpaid.
- One (1) **\$32 (OD) overdraft item fee** is charged for each item that is paid.
- There is a limit of three (3) NSF and/or OD item fees per day.
- If an item overdraws your account \$1.00 or less, we will not charge you a fee.
- No OD item fee is charged for ATM or everyday debit card transactions, unless you Opt In for those transaction types.

## **Order of Payment**

We may determine, at our discretion, the order that we process and post credit and debit items. Typically, credits are posted to your account first, and then debits are paid in the following order by category:

- Rejected items from previous day;
- ATM withdrawals and Debit card transactions (POS);
- Teller cashed items;
- Automated Clearing House (ACH) items; and
- All other checks.

Items inside each category are paid smallest to largest, except for checks, which are paid in sequential check number order. Items may not be processed in the order in which they occurred. The order in which transactions are paid can affect the total amount of overdraft fees incurred. Items are paid based on your account balance.

## **Additional information**

As a courtesy, any day that you have insufficient items presented for payment and you deposit enough funds to cover all the NSF items (and related fees) by 11:00 a.m. CT, the bank will pay the items, whenever possible. Please refer to our current Expedited Funds Availability Act disclosure or speak with a Retail Banker for a list of funds that have immediate availability. All overdrafts should be repaid promptly.

**A transaction may still overdraw your account, and incur fees, even if the funds appeared to be available at the time you completed the transaction.** Other outstanding transactions, such as ACH, checks, or debit card transactions for which no temporary hold was placed or the temporary hold has been removed, may not be reflected in your available balance on record at the bank and could be presented for payment to the bank before the subject transaction. No OD item fee is charged for ATM or everyday debit card transactions, unless you Opt In for those transaction types. We recommend you track all your outstanding transactions and determine your available balance based on your records.

### Avoiding Fees

Knowing your balance may help you avoid fees. Before you make a purchase, check your balance using one of these options.

- Call the Automated telephone system 1-866-226-5724;
- Log in to Online Banking;
- Use our Mobile App;
- Set up Online Banking Alerts; or
- Use a Woodforest ATM.

### Overdraft Protection Plans

**Account Sweep:** This product helps you to protect your account against overdraft and insufficient item fees, by transferring funds from another account when needed. By creating a link between your primary checking account to a secondary checking or savings account with our institution, any presented items that would cause an overdraft in the primary account will be paid by available funds that are automatically “swept” or transferred from the secondary account. Regardless of the number of insufficient items, only one transfer fee will be assessed per day. (See our Schedule of Fees.) If there are not enough funds available to sweep at the time an item is presented for payment, an overdraft item fee or an insufficient item fee may be assessed. Certain accounts have limits to the number of debit transactions you can make within a statement period. *Please refer to the Account Overview to determine whether transactional limits and fees apply.*

**ReLi Unsecured Revolving Line of Credit (ReLi LOC):** Upon credit approval, you could qualify for a ReLi LOC that could be linked to your checking account and protect you against overdraft and insufficient item fees. Any presented items that would cause an overdraft in the account will be paid by funds that are transferred from the ReLi LOC (up to the available limit). If there are not enough funds available on the ReLi LOC at the time an item is presented for payment, an overdraft item fee or an insufficient item fee may be assessed. This ReLi LOC is a loan that you pay back with interest. Woodforest reserves the right to limit this service to one account per customer.

**ReLi Secured Revolving Line of Credit (ReLi Secured LOC):** Upon credit approval and deposit of good funds as collateral, you could qualify for a ReLi Secured LOC that would be linked to your checking account and could protect you against overdraft and insufficient item fees. Any presented items that would cause an overdraft in the account will be paid by funds that are transferred from the ReLi LOC (up to the available limit). If there are not enough funds available on the ReLi LOC at the time an item is presented for payment, an overdraft item fee or an insufficient item fee may be assessed. This ReLi LOC is a loan that you pay back with interest. Woodforest reserves the right to limit this service to one account per customer.

### Comparing the Cost

| <u>Ways to cover overdrafts at Woodforest</u>         | <u>Examples of Associated Fees*</u>    | <u>Comparative Cost***</u> |
|---|--|----------------------------|
| Good account management                               | \$0                                    |                            |
| Account Sweep   | \$5.00 transfer fee                    | \$5.00                     |
| ReLi Unsecured Revolving Line of Credit               | 15.99% APR**                           | \$0.44                     |
| ReLi Secured Revolving Line of Credit                 | 7.99% APR**                            | \$0.22                     |
| Standard Overdraft Practices and Debit Card Overdraft | Overdraft Item Fee of \$32.00 per item | \$32.00                    |

*\*These costs are provided only as examples. Please ask us about specific products and fees.*

*\*\* Line of Credit available only to qualifying customers.*

*\*\*\*Comparative costs based on one (1) insufficient item, resulting in an overdraft of \$100.00, and the Credit Line or overdraft not being repaid for 10 calendar days.*

## FREQUENTLY ASKED QUESTIONS

### What are Standard Overdraft Practices?

When you do not have enough available funds in an account to cover a transaction item, at our sole discretion, we may honor that item. This will cause an overdraft on the account, and the account will be charged associated fees.

Items include:

- Checks and other transactions made using your checking account number;
- Automated payments (ACH items), such as recurring bill payments; and
- Recurring debit card purchases, such as television service subscriptions.

NOT covered: ATM and everyday debit card transactions, such as groceries or gasoline

### What is an Overdraft?

An overdraft occurs when you do not have enough money available in your account to cover a transaction, but we pay it anyway.

### What are insufficient funds (NSF)?

This occurs when you do not have enough money available in your account to cover a transaction, and we return the item to the person or business the item was payable to. As a result, you are charged an NSF fee.

### Do I get charged for NSF and Overdraft (OD) items?

Yes, a \$32 Fee will be charged for each NSF or OD item that process against your account. The Bank will only charge you up to 3 NSF and OD fees per day, and if an item overdraws your account less than \$1, no fee is charged. No OD or NSF item fee is charged for ATM or everyday debit card transactions, unless you Opt In for those transaction types.

### Do I have an Overdraft Limit?

We may honor items that overdraw your account, but this is at our sole discretion. You may visit your local branch or call us at 1-877-968-7962 for more information about our Standard Overdraft Practices.

### If you pay an item and overdraw my account, how quickly must I bring my account back to a positive balance?

You should make every attempt to bring your account to a positive end-of-day balance as soon as possible. Leaving your account overdrawn for an extended period may affect the Bank honoring any future items that overdraw your account. Payment of items is at the Bank's sole discretion.

### What if I do not want Standard Overdraft Practices on my account?

You can contact your local branch or call us at 1-877-968-7962 to opt out of Standard Overdraft Practices.

### Are there ways I can avoid NSF and OD fees?

Knowing your balance may help you avoid fees. Before you make a purchase, check your balance using one of these options.

- Call the automated telephone system at 1-866-226-5724;
- Log in to Online Banking;
- Use our Mobile App;
- Set up Online Banking Alerts; or
- Use a Woodforest ATM.

### Are there other steps, besides Standard Overdraft Practices, I can take to avoid fees and keep items from being returned?

The best way to avoid OD and NSF fees is to keep track of your account balance by entering all items in a check register, reconcile your account regularly and manage your finances responsibly. However, if a mistake occurs, Woodforest offers the following alternatives to Standard Overdraft Practices to cover OD items:

| Ways to cover overdrafts at Woodforest | Examples of Associated Fees* |
|--|------------------------------|
| Good Account Management                | \$0                          |
| Account Sweep                          | \$5.00 transfer fee          |
| Line of Credit (ReLi) Unsecured        | 15.99% APR**                 |
| Line of Credit (ReLi) Secured          | 7.99% APR**                  |

*\*These costs are provided only as examples. Please ask us about our specific products and fees.*

*\*\*Line of credit available only to qualifying customers.*