



## OVERDRAFT POLICIES

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 different ways:

<b>Pay Privilege</b>	<b>Overdraft Transfer</b>	<b>Overdraft Protection Line of Credit</b>
Overdrafts to your personal checking account are paid on a non-contractual courtesy basis as long as your account remains in good standing.	Overdrafts to your personal checking account are covered by transfer of available funds from your linked deposit account.	Overdrafts to your personal checking account are covered by transfer of available funds from your linked line of credit.

### HOW DOES PAY PRIVILEGE WORK AND WHAT ARE THE ASSOCIATED FEES?

We will charge you a fee of up to **\$30.00** each time we pay an overdraft.

There is a limit of \$150.00 on the total fees we can charge you for overdrawing your account per day.

Pay Privilege is available in addition to any overdraft protection plans you may request or apply for. Pay Privilege is available for all personal checking accounts in good standing 30 days after account opening. The daily maximum of \$150.00 is only applicable to accounts that qualify for and are in good standing with Pay Privilege.

As long as you maintain your account in "good standing", we may approve your overdraft items within your current available Pay Privilege limit as a non-contractual courtesy. For overdraft privilege consideration, your account is in "good standing" if you (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all bank fees and charges); (2) avoid excessive overdrafts (suggesting the use of Pay Privilege as a continuing line of credit); and (3) there are no legal orders, levies or liens against your account.

In the normal course of business, we generally pay electronic transactions first and then checks in serial number order, per the Bank's policy. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, please be aware that the order of item payment may create multiple overdraft items during a single banking day for which you will be charged our Overdraft Fee for each item paid.

You may opt out of the privilege at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft plus the Bank's Overdraft Fee per item will be deducted from the overdraft limit.

We may refuse to pay an overdraft item at any item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in good standing as defined above, or if based upon review of your account management, we determine that you have too many overdrafts or are using Pay Privilege as a regular line of credit. You will be charged an Overdraft Fee for each item returned.

You will be notified by mail of any non-sufficient funds items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdraft (including overdraft fees) that you owe us shall be due and payable upon demand, but if no demand is made, no later than 30 calendar days after the creation of the overdraft. If there is an overdraft on an account with more than one owner on the signature card, each owner and agent, if applicable, shall be jointly and severally liable for all overdrafts inclusive of fees.

Pay Privilege should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconciling your checkbook regularly, and managing your finances responsibly. If you would like to have this service removed from your account, please call (800) 564-3195.

#### **WHAT TYPES OF TRANSACTIONS ARE COVERED BY PAY PRIVILEGE?**

We authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments
- ACH Debits
- Online Banking, Mobile Banking and Phone Banking

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.

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, please make the applicable election on the consent form provided with your new account package. You may also call us at 1-800-564-3195, visit [www.thefirst.com](http://www.thefirst.com) or write us at First National Bank, P.O. Box 940, Damariscotta, ME 04543.