**OVERDRAFT COVERAGE OPTIONS:**

**OVERDRAFT PROTECTION AND Overdraft Privilege**

PBK 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 deposit account you have at PBK Bank**1 | **$10 fee per transfer** |
| **Overdraft Privilege Standard or Extended Coverage** | **$30 ODP Paid Fee per item presented\*** |

1Call us at (606) 365-7098, email us at accounting@pbkbank.com, or come by a branch to sign up this service**.**

***\* Per item presented means each time an item is presented, including re-presentment***

**Overdraft Protection** applies to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account you may have at PBK Bank for a fee.

**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 ***What Else You Should Know*** for other important information.

|  |  |  |  |
| --- | --- | --- | --- |
| **Transactions Covered with Overdraft Privilege** | **Standard Coverage (No action required)** | **Extended Coverage****(Your consent required on consumer accounts) \*** | **If you would like to select Extended Coverage for future transactions**:* call us at (606) 365-7098
* visit any branch
* complete a consent form and mail it to us at P.O. Box 366, Stanford, KY 40484
* email us at accounting@pbkbank.com
 |
| **Checks**  | **X** | **X** |
| **ACH - Automatic Debits** | **X** | **X** |
| **Recurring Debit Card Transactions** | **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 on your consumer account, **ATM transactions and everyday debit card transactions** will be included with the transactions listed under Standard Coverage**.** If you already have Overdraft Privilege Extended Coverage, it is not necessary to request it again. Business accounts automatically have Extended Coverage.

You can discontinue Overdraft Privilege in its entirety by contacting us at (606) 365-7098 or sending us an email at accounting@pbkbank.com.

**WHAT ELSE YOU SHOULD KNOW**

* A link to another account 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. 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.](http://www.mymoney.gov/)
* The $30 ODP Paid Fee that is charged if you overdraw your account is the same fee amount that is charged if a check is returned as unpaid. If multiple items overdraw your account on the same day, each item will be assessed an appropriate ODP Paid Fee of $30.00, NSF Paid Fee of $30.00, or an NSF Return Fee of $30.00. 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.
* For consumer accounts, there is a limit of $240.00 per day on the total ODP Paid Fees, NSF Paid Fees, and NSF Return Fees we will charge an account. We will not charge a fee if a consumer account is overdrawn by $5.00 or less or the transaction is $5.00 or less. These exceptions do not apply to business accounts.
* Recipients of federal or state benefits payments who do not wish us to deduct the amount overdrawn and the ODP Paid Fee from funds that you deposit or that are deposited into your account may call us at (606) 365-7098 to discontinue Overdraft Privilege.
* If an item is returned because the Available Balance (as defined below) in your account is not sufficient to cover the item and the item is presented for payment again, PBK Bank, Inc. (“We”) will charge an NSF Return Fee each time we return the item because it exceeds the Available Balance in your account. Because we may charge an NSF Return Fee each time an item is presented, **we may charge you more than one fee for any given item** **as a result of a returned item and re-presentment of the item.** When we charge an NSFNSF Return Fee, the charge reduces the Available Balance in your account and may put your account into (or further into) overdraft. If, on re-presentment of the item, the Available Balance in your account is sufficient to cover the item we may pay the item, and, if payment causes an overdraft, charge an ODP Paid Fee. We may use the terms “item” and “transaction” interchangeably.
* 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. In house items, ATM, and debit card transactions are posted in the order in which the items are received unless there is not a time stamp where then it would post lowest to highest dollar amount, then on-us (debit memos) lowest to highest dollar amount, ACH transactions from lowest to highest dollar amount, checks without check numbers from lowest to highest dollar amount, checks with description codes from lowest to highest dollar amount, and checks with check numbers in 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 herein) and the order in which transactions are posted may impact the total amount of ODP Paid Fees, NSF Paid Fees or NSF Return Fees assessed.
* Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
* 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.
* We may be obligated to pay some debit card transactions that are not authorized through the payment system but which we are required to pay due to the payment system rules, and as a result you may incur fees if such transactions overdraw your account. However, we 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 ODP Paid Fees for transactions that we would otherwise be required to pay without assessing an ODP Paid Fee. However, this would allow us to authorize transactions up to the amount of your Overdraft Privilege limit. If you consent to Extended Coverage on your consumer account, it will remain on your account until it is otherwise withdrawn.

**Understanding your Available Balance**: Your account has two kinds of balances: the Ledger Balance and the Available Balance.

* We authorize and pay transactions using the Available Balance.
* Your Ledger Balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending.
* Your Available Balance is the amount available to you to use for purchases, withdrawals, or to cover transactions. The Available Balance is your Ledger Balance, less any holds due to pending debit card transactions and holds on deposited funds.
* The balance used for authorizing checks, ACH items, and recurring debit card transactions is your Available Balance plus the amount of the Overdraft Privilege limit and any available Overdraft Protection.
* The balance used for authorizing ATM and everyday debit card transactions on accounts with Standard Coverage is your Available Balance plus any available Overdraft Protection but does NOT include the Overdraft Privilege limit.
* The balance used for authorizing ATM and everyday debit card transactions on accounts with Extended Coverage is your Available Balance plus any available Overdraft Protection and includes the Overdraft Privilege limit.
* Because your Available Balance reflects pending transactions and debit holds, your balance may appear to cover a transaction but later upon settlement it may not be sufficient to cover such transaction. In such cases, the transaction may further overdraw your account and be subject to additional overdraft fees. You should assume that any item which would overdraw your account based on your Available Balance may create an overdraft. Note that we 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.
* Please be aware that the Overdraft Privilege amount is not included in your Available Balance provided through online banking, mobile banking or PBK Bank, Inc.’s ATMs.
* We will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within three 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, a fee may be assessed.
* Except as described herein, we 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).
* We may suspend your debit card(s) if your account is overdrawn more than 32 consecutive calendar days. Debit cards on your account will remain suspended until you make sufficient deposits so that your account balance is positive.
* We may also suspend your debit card(s) 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.
* We may charge a fee of $15 to reactivate your debit card if we suspend your debit card.
* If your debit card(s) 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(s) is suspended. If you use your debit card(s) for recurring payments, e.g., utilities, you are responsible to make other arrangements for your recurring debit payment(s). Your account may be charged a $15 Debit Card Reactivation Fee once your debit card is reactivated.

**Understanding Overdraft Privilege Limits**

* New consumer and business checking accounts will receive a $100 Introductory Overdraft Privilege limit at account opening that will be increased to $500 after 35 days in good standing for consumer accounts or to $1,000 after 35 days in good standing for business accounts.
* Overdraft Privilege may be 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 days for a minimum of one business day. You must bring your account balance positive for at least one business day to have Overdraft Privilege reinstated.

If you have any questions about Overdraft Protection or Overdraft Privilege, please call us at (606) 365-7098 or visit a branch.

**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 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 PBK Bank pays my overdraft?

Under our standard overdraft practices:

* We willcharge you a fee of up to **$30** each time we pay an overdraft if your account is overdrawn more than $5.00
* We will not charge you a fee if your account is overdrawn by $5.00 or less or if the transaction is $5.00 or less on any given day
* **There is a limit of $240.00** per day on the total fees we can charge you for overdrawing your account
* What if I want PBK 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 (606) 365-7098, email us at accounting@pbkbank.com, complete the form below and present it at a branch or mail it to: P.O. Box 366, Stanford, KY 40484. You can revoke your authorization for PBK Bank to pay these overdrafts at any time by any of the above methods. Your revocation must include both your name and the last 4 digits of your account number so that we can properly identify your account.

\_\_\_\_\_\_\_\_\_\_\_\_ **I do not** want PBK Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

\_\_\_\_\_\_\_\_\_\_\_\_ **I want** PBK Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Account Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_