



## OVERDRAFT PRIVILEGE FREQUENTLY ASKED QUESTIONS

At times, unanticipated expenses or unforeseen problems can leave you with too little cash in your checking account. Having a check returned due to insufficient funds can be a costly, inconvenient and potentially embarrassing experience. At Fifth District Savings Bank, we do not encourage overdrafts. To avoid fees, we encourage you to manage your finances responsibly by keeping track of your account balance and reconciling it regularly. However, we want to save you from the additional merchant fees and possible damage to your credit history that might result if a check is returned. That's why we provide Overdraft Privilege, a special overdraft service for Fifth District Savings Bank's customers.

### What is Overdraft Privilege?

Overdraft Privilege is a discretionary overdraft service requiring no action on your part that provides you a safety net up to an automatically assigned overdraft limit.

Your Overdraft Privilege limit may be available for checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic (ACH) payment transaction, automatic bill payment or recurring debit card payment. If you request us to do so (opt in), we may authorize ATM transfers or withdrawals and everyday debit card purchases using your available balance and your Overdraft Privilege limit.

Balances displayed do not include the Overdraft Privilege limit.

### How does Overdraft Privilege work?

There are several ways your account can become overdrawn, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you (i.e. debit card at point of sale); (3) the return of unpaid items deposited by you; (4) bank service charges; or (5) the deposit of items which, according to the bank's Funds Availability Policy, are treated as not yet available.

As long as you maintain your account in "**good standing**," we may approve your overdraft items within your unused Overdraft 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 Overdraft Privilege as a continuing line of credit; (3) have no legal orders, levies or liens against your account; and (4) your loan with Fifth District is not 60 or more days past due.

Fifth District Savings Bank reserves the right to limit participation to one account per household or to suspend, revoke, or discontinue this service without prior notice.

## What if I go beyond my Overdraft Privilege limit?

Normally, we will not approve an overdraft for you in excess of the predetermined limit assigned to your account. So as not to exceed your limit, please remember that the amount of the overdraft **plus** our OD Paid Item Fee of \$32 each time an item is returned will be deducted from the Overdraft Privilege limit. Overdrafts above and beyond your established Overdraft Privilege limit may result in checks or other items being returned to the payee. You will be charged an NSF Returned Item Fee of \$32 for each time an item is returned. Returned items may be presented for payment by the payee or their financial institution multiple times, which may result in multiple NSF Returned Item Fees.

An OD/NSF notice will be sent to notify you of items paid and/or returned.

## What does my Overdraft Privilege cost?

There is no additional cost associated with Overdraft Privilege unless you use it. If you do use the Overdraft Privilege limit, you will be charged our OD Paid Item Fee of \$32 for each overdrawn item created by checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic payment (ACH) transaction, automatic bill payment, or recurring debit card payment.

If you request us to do so (opt in), we may authorize ATM transfers or withdrawals and everyday debit card purchases by using your available balance and your Overdraft Privilege limit. Your balance at the time these transactions post will determine the overdraft status and the assessment of fees. Other transactions initiated by you, or a delay in processing authorized transactions by the merchant, may result in previously authorized transactions posting against an insufficient balance. An OD Paid Item Fee of \$32 will be charged for each ATM or everyday debit card transaction that posts against insufficient funds. Once opted in, you may revoke your authorization at any time by contacting us at (504) 363-6513.

In the normal course of business, we generally pay ATM/debit card transactions first and then all other items low to high, 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, the order we pay your items may create multiple overdraft items during a single banking day, and you will be charged our OD Paid Item Fee of \$32 for each overdraft item paid.

Multiple paid items will result in multiple fees. For example, three paid items in one day will result in \$96 in OD Paid Item Fees. To help you manage your account, the total fees you have paid for items (both paid and returned) during the current month and for the year-to-date will be reflected on your monthly checking statement.

## What is my Overdraft Privilege limit? If I have two checking accounts, can I get Overdraft Privilege on both?

Locate your account type below and make note of the corresponding limit. If you have multiple accounts for your household, you may have a limit on one eligible account.

### \$300 Limit

Totally Free Checking  
Easy Interest Checking  
Fabulous 50 Checking  
Economy Checking

### \$500 Limit

Premium Interest Checking  
NOW Checking  
Homeowner's Checking  
Senior Checking

## How quickly must I repay my Overdraft Privilege?

You should make every attempt to bring your account to a positive end-of-day balance as soon as possible and must do so within 30 calendar days. If you are not able to do so, you will receive a letter from Fifth District Savings Bank informing you that your Overdraft Privilege limit has been suspended and additional items will be returned. **Unless we advise you differently or you request this service be removed from your account, your limit will be made available to cover overdrafts again the first business day after you bring your account to a positive end-of-day balance.**

## What are some of the ways I can access my Overdraft Privilege limit? Will my limit be reflected in the balance I receive?

The chart below shows the different ways you can access your Overdraft Privilege limit and indicates whether or not this limit will be reflected in the balance provided.

Access Points	Is my Overdraft Privilege available?	Does the balance provided reflect my Overdraft Privilege limit?
Teller	Yes	No
Writing a Check	Yes	N/A
Debit Card (recurring)	Yes	N/A
Debit Card(everyday)	No*	N/A
ATM Withdrawal	No*	No
ACH- Auto Debit	Yes	N/A
Online Banking	No	No
Bill Pay	Yes	N/A
Telephone Banking	No	No

\* Overdraft Privilege service will be made available for ATM or everyday debit card transactions on personal accounts upon your request. Visit one of our branches to arrange for your ATM and debit card coverage or call (504) 363-6513 for additional information.

## What if I am having trouble repaying my Overdraft Privilege or use it frequently?

Please contact us at (504) 363-6513 if you: (1) do not believe you will be able to bring your account to a positive end-of-day balance within the required time period; (2) find that you are using Overdraft Privilege more often than you intended; or (3) don't understand why your account becomes overdrawn. We would like to discuss your situation with you.

We may refuse to pay an overdraft 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 our review of your account management, we determine that you are using Overdraft Privilege excessively or seem to be using Overdraft Privilege as a regular line of credit. You will be charged an NSF Returned Item Fee of \$32 each time an item is returned.

Following regulatory guidance, we will contact you if you are paying multiple OD Paid Item Fees (i.e., more than six fees in a rolling 12-month period), to discuss possible alternatives to Overdraft Privilege that may better meet your short-term credit needs. In the event you ask us to stop contacting you because you have determined Overdraft Privilege is appropriate for your needs, we will honor your wishes. However, if we identify that the number and frequency of overdrafts increases materially for an extended period of time at some point after that, we may contact you again to ensure Overdraft Privilege is still the most appropriate option available to you for covering your short-term credit needs.

## How do I know when I use the overdraft limit?

You will receive an overdraft notice each time items are paid, including fees. You will need to subtract the total fees when balancing your checkbook.

We have no obligation to notify you before we pay or return any item. The amount of any overdraft including our OD Paid Item Fee of \$32 and/or an NSF Returned Item Fee of \$32 that you owe us is due and payable upon demand even if we do not ask you for payment. You must repay us no later than 30 calendar days after the creation of the overdraft. If there is more than one owner on the account, each owner and agent, if applicable, shall be jointly and severally liable for all overdrafts including all fees charged.

## How soon can I use my Overdraft Privilege?

An Overdraft Privilege limit of \$100 is granted by the second business day after account opening. If you maintain satisfactory activity in the account, including regular deposits, consistent with our internal standards for new accounts, your limit may be increased to the standard limit for your account type. We will advise you 30 or more days after your account is opened if your limit will be increased. Overdraft Privilege will continue to be available provided your account remains in “good standing” as defined in this brochure.

## What are some other ways I can cover overdrafts at Fifth District Savings Bank?

The best way to avoid overdrafts and fees is to keep track of your account balance by entering all checks, debit card purchases and ATM withdrawals in your check register, reconcile your check book regularly and manage your finances responsibly. Other suggestions may be found at <https://www.fdic.gov/moneysmart> and <https://www.consumerfinance.gov/>.

Fifth District Savings Bank offers additional ways to cover overdrafts in addition to Overdraft Privilege.

<b>Ways to Cover Overdrafts at Fifth District Savings Bank</b>	<b>Example of Associated Rates and Fees<sup>1</sup></b>
Good account management	\$0
Link to savings account (sweep)	\$10 transfer fee <sup>2</sup>
Overdraft Privilege	OD Paid Item Fee of \$32 for each item

<sup>1</sup> This information is effective as of August 2017 and is provided as examples. <sup>2</sup>The number of transfers allowed from a savings account each month may be limited and additional fees/consequences for exceeding this limit may apply. Please ask us about our current specific products, rates and fees.

## What if I do not want to have Overdraft Privilege on my account?

If you would like to revoke your previous authorization for ATM and debit card transaction coverage, or have this service removed entirely from your account, please call (504) 363-6513.

While you may opt out of the privilege at any time, you are responsible for any overdrawn balances at the time of opting out.