

Bounce Protection **First National Bank**

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 First National Bank, we do not encourage overdrafts. As always, we encourage you to manage your finances responsibly. 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 **Bounce Protection**, a special overdraft service for First National Bank's customers.

What is Bounce Protection?

Bounce Protection is an overdraft service requiring no action on your part, once you have met our program eligibility requirements, which provides you a safety net up to an automatically assigned overdraft limit.

Your Bounce Protection limit may be available for checks and other transactions made using your checking account number or automatic bill payment and recurring debit card payment. Also, at your request, we may authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your limit.

Program Eligibility Requirements

Initial eligibility is conditioned on:

1. your account having been open for a minimum of thirty (30) days,
2. your account having a minimum of two (2) deposits in the past month totaling at least one-and-one-half (1 ½) times the established limit for that account type,
3. your account not being subject to any legal orders, levies or liens, and
4. you are managing other accounts at FNB and other financial institutions responsibly, such as avoiding delinquent credit obligations.

Continuing eligibility is conditioned on:

1. your account having sufficient deposits to bring the 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. your account not being subject to any legal orders, levies or liens, and
3. you are managing other accounts at FNB and other financial institutions responsibly, such as avoiding delinquent credit obligations.

Continuing eligibility is also conditioned on the level of usage:

1. If you incur seven or more overdraft "occasions" (paid overdraft items for which a fee was collected) in a rolling 12 month period, we will assist you in determining whether the Bounce program is the right service for you. We will send you a letter to explain other overdraft protection alternatives we offer and allow you the opportunity to decide which program better fits your needs. If you elect to remain in the Bounce program, we will require an affirmative response from you (referred to as an "opt-in") within 30 days of the date of the letter. If an "opt-in" is not received after 30 days, your Bounce coverage will be suspended.
2. If you incur forty or more overdraft "occurrences" in a rolling 12 month period, you will no longer be eligible to participate in the Bounce program. FNB will send you a letter advising that you have been removed from the program and explaining alternative overdraft protection products we offer.

You may elect to "opt-out" of this program at any time.

What does my Bounce Protection Cost?

There is no additional cost associated with this privilege unless you use it. You will be charged our Overdraft fee of \$35.00 for each overdrawn item created by a traditional paper-based check, a teller withdrawal, an automatic payment (ACH) transaction, or a recurring debit card payment. We do not charge an Overdraft fee for overdrafts of \$3.00 or less. Also, if you have requested us to do so, we may authorize and cover ATM transfers or withdrawals and everyday debit card purchases. For example, three paid items in one day will result in \$105.00 in Overdraft fees. You may incur up to five overdraft fees per day if the number of paid items is five or more in any one day. 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.

How does Bounce Protection work?

As long as your account remains eligible as defined in this brochure, we may approve your overdraft items within your current available Bounce Protection limit as a non-contractual courtesy.

Please note that the amount of the overdraft plus our Overdraft Fee of \$35 for each item will be deducted from your overdraft limit. If the item is returned, the Non-sufficient Funds Fee (NSF) of \$35 will be deducted from your account. No interest will be charged on the overdraft balance.

*Please refer to the Bounce Protection Overdraft policy at the end of this document for additional details.

How do I know when I use the overdraft limit?

You will receive an overdraft notice in the mail each time items are paid. The notice will show the check number, amount, and the Overdraft Fee. You will need to subtract the total fees when balancing your checkbook.

What is my Bounce Protection limit? If I have two checking accounts, can I get Bounce Protection 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 all eligible accounts.

Convenience First Checking	\$750
Free First Checking	\$600
Interest First Checking	\$750
Livingston 1 st Club Checking	\$750
Virtual First Checking	\$600
Serious First Savings Accounts	\$750
DBA/Sole Proprietors	\$600

What if I go beyond my Bounce Protection limit?

Overdrafts above and beyond your established Bounce Protection limit may result in checks or other items being returned to the payee. The Non-sufficient Funds Fee (NSF) of \$35 will be charged per item and assessed to your account. An NSF notice will be sent to notify you of items paid and/or returned.

How quickly must I repay my Bounce Protection?

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 First National Bank informing you that your Bounce Protection 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 once you bring your account to a positive end-of day balance. Refer to the Revocation section for further details.

What are some of the ways I can access my Bounce Protection limit? Will my limit be reflected in the balance I receive?

The chart below shows the different ways you can access your Bounce Protection 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/NetTeller	Yes	No
Bill Pay	Yes	N/A
Phone Banking	Yes	No

**Bounce service will be made available for ATM or everyday debit card transactions upon your request. Call (517)546-3150 or visit one of our branches to arrange for your ATM and debit card coverage.

How soon can I use my Bounce Protection?

If you are a new account holder, you may be able to use the overdraft privilege service 30 days after the account is opened, assuming your account is eligible for Bounce Protection as defined in this brochure.

What are some other ways I can cover overdrafts at First National 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. However, if a mistake occurs, First National Bank offers additional ways to cover overdrafts in addition to Bounce Protection.

Ways to Cover Overdrafts at First National Bank	Example of Associated Fees*
Good account management	\$0
Link to savings account	\$10 transfer fee
Overdraft line of credit	17% APR* + \$17 Annual Fee
Bounce Protection	Overdraft Fee of \$35 for each item

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

What if I do not want to have Bounce Protection on my checking account?

If you would like to have this service removed from your account, please call (517) 546-3150.

Bounce Protection Customer Overdraft Policy

An insufficient balance can result from several events, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you; (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 or finally paid. We are not obligated to pay any item presented for payment if your account does not contain sufficient funds.

As long as your account remains eligible for Bounce Protection as defined in this brochure, we may approve your overdraft items within your current available Bounce Protection limit as a non-contractual courtesy.

In the normal course of business, we pay items beginning with the transactions that have been pre-authorized (ATM, POS, AFT etc.) then check and ACH items 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 of \$35 for each overdraft 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 of \$35 per item will be deducted from the overdraft limit.

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 becomes ineligible for the program as defined above, or if based upon our review of your account management, we determine that Bounce Protection has been used as a consistent source of short-term credit rather than simply to pay occasional overdrafts. Accounts exceeding forty 'occasions' (paid overdraft items for which a fee was collected) in a rolling 12 month period are automatically suspended per policy. You will be charged a Non-sufficient Funds Fee (NSF) of \$35 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 our Overdraft Fee of \$35 and/or a Non-sufficient Funds Fee of \$35 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. We do not charge an Overdraft Fee for any overdraft of \$3.00 or less. If more than five overdraft items are presented in a single day, overdraft fees charged are limited to that of the first five items. 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.

Bounce Protection 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, reconcile your check book regularly, and manage your finances responsibly. If you would like to have this service removed from your account, please call (517) 546-3150.

Please note that your Bounce Protection limit may be available for covering overdrafts created at the teller window, ATM, through a POS (Debit Card) transaction, Online Banking/NetTeller, Online Bill Pay and Phone Banking. The limit will not be included in the balance provided during an inquiry.

REVOCATION OF BOUNCE: Accounts exceeding forty 'occasions' (paid overdraft items for which a fee was collected) in a rolling 12-month period are automatically suspended from Bounce Protection per policy. Should the bank choose to leave the deposit account open, options will be limited to applying for a traditional overdraft line of credit, setting up a sweep arrangement to transfer collected funds from another FNB account to cover overdrafts, or approval/denial of overdrafts at our discretion. You will receive a letter from First National Bank informing you that your Bounce Protection limit has been revoked and additional items will likely be returned.

LIMITATIONS: Bounce Protection is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or household use. First National Bank reserves the right to limit participation to one account per household and to suspend, revoke, or discontinue this service without prior notice.