



OVERDRAFT SERVICES

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STATE BANK

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MEMBER FDIC



PEOPLES OVERDRAFT SERVICES

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 Peoples State 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 "Peoples Overdraft Privilege," a special overdraft service for our checking customers.



PEOPLES OVERDRAFT PRIVILEGE

What is Peoples Overdraft Privilege?

Peoples 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 Peoples Overdraft Privilege limit may be available for checks and other transactions made using your checking account number or automatic bill payment and recurring debit card payment. For business accounts the limit may be available for ATM and everyday debit card transactions. Also, at your request, we may authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your limit.

How does Peoples Overdraft Privilege work?*

As long as you maintain your account in “good standing,” we may approve your overdraft items within your current available Peoples Overdraft Privilege limit as a non-contractual courtesy. For Peoples Overdraft Privilege consideration, your account is in “good standing” if you (1) deposit enough money 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 Peoples Overdraft Privilege as a continuing line of credit; and (3) there are no legal orders, levies or liens against your account. Please note that the amount of the overdraft plus our Overdraft Fee of \$32 for each item will be deducted from your overdraft limit. If the item is returned, the Returned Item Fee of \$32 will be deducted from your account. No interest will be charged on the overdraft balance.

**Please refer to the Peoples Overdraft Privilege customer policy for additional details.*

PEOPLES OVERDRAFT PRIVILEGE

How do I know when I use the overdraft limit?

You will receive an overdraft notice in the mail or electronically 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 Peoples Overdraft Privilege limit?

The limit for your account is initially \$100. Your limit may increase after 30 days to:

Personal Checking.....\$1000

Business Checking.....\$2000

**Some conditions and exclusions apply.*

If I have two checking accounts, can I get Peoples Overdraft Privilege on both?

Multiple accounts for your household or business may be eligible, however we reserve the right to limit participation to one account per household or business.

What if I go beyond my Peoples Overdraft Privilege limit?

Overdrafts above and beyond your established Peoples Overdraft Privilege limit may result in checks or other items being returned to the payee. The Returned Item Fee of \$32 will be charged per item to your account. An Insufficient Funds notice will be sent to notify you of items paid and/or returned.

How quickly must I repay my Peoples 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 Peoples State Bank informing you that your Peoples Overdraft Privilege limit has been suspended and additional items will be returned. If your limit is suspended, unless we notify you otherwise 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 does my Peoples Overdraft Privilege cost?

There is no additional cost associated with this privilege unless you use it. You will be charged our Overdraft Fee of \$32 for each overdrawn item created by check, in-person withdrawals, ATM withdrawals, debit card usage or other electronic means paid under the limit. Your available balance may be affected by authorizations which could create additional overdrafts and associated fees.

For example, three paid items in one day will result in \$96 in Overdraft 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.

How soon can I use my Peoples Overdraft Privilege?

If you are a new customer, the limit for your account is initially \$100. Your limit may increase after 30 days based on the Peoples Overdraft Privilege Customer Policy. The limit continues to be available provided you maintain the account in “good standing” as defined in this brochure.

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

Peoples Overdraft Privilege costs you nothing unless you use it. However, if you would like to have this service removed from your account, please call Peoples Customer Service Department at 888.929.9902.

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

Please contact us at 888.929.9902 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 Peoples Overdraft Privilege more often than you intend; or (3) don’t understand why your account becomes overdrawn. We would like to discuss your situation with you.

Following regulatory guidance, we will notify you if you are paying multiple Overdraft Fees (i.e., more than six fees in a rolling 12-month period). This notice will include information on possible alternatives to Peoples Overdraft Privilege that may better meet your short-term credit needs. We encourage you to call us at 888.929.9902 to discuss your options. In the event you ask us to stop contacting you because you have determined Peoples Overdraft Privilege is appropriate for your needs, we will honor your wishes.



PEOPLES OVERDRAFT PRIVILEGE

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

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

access points	is my Peoples Overdraft Privilege limit available?	does the balance provided reflect my Peoples Overdraft Privilege limit?
teller	yes	NA
writing a check	yes	NA
debit card recurring	yes	NA
debit card everyday	no**	NA
ATM withdrawal	no**	no
ACH - auto debit	yes	NA
digital banking	yes	no
Bill Pay	yes	no
telephone banking	yes	no

***With the exception of business accounts, Peoples Overdraft Privilege service will be made available for ATM or everyday debit card transactions upon your request. Call 888.929.9902 or visit one of our branches to arrange for your ATM and debit card coverage.*

What are some other ways I can cover overdrafts at Peoples State 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 checkbook regularly and manage your finances responsibly. However, if a mistake occurs, Peoples State Bank offers additional ways to cover overdrafts in addition to Peoples Overdraft Privilege.

ways to cover overdrafts at Peoples	associated fees ¹
good account management	\$0
peoples balance protector	\$10 transfer fee per occurrence ^{2,3}
overdraft privilege	\$32 for each paid overdraft item

¹ This information is effective as of April 2019 and is provided as examples.

² The number of transfers allowed from a savings account each month may be limited and additional fees / consequences for exceeding this limit may apply.

³ Please ask us about our current specific products, rates and fees.

OTHER OVERDRAFT SERVICES**

Peoples Balance Protector or Business Balance Protector

Peoples Balance Protector prevents an overdraft with an automatic transfer from another Peoples Account.

- No annual fee.
- No repayment necessary.
- Automatic transfers from another Peoples account in \$100 increments.
- \$10 transfer fee per occurrence for personal, \$20 transfer fee per occurrence for business.
- Transaction activity listed on your monthly statement.
- If sufficient funds are not available within the transfer account, it will take what is available, minus a sweep transaction charge, and apply it to your overdraft. Overdraft Fees may apply.



**** Requires a signed agreement**

Peoples Overdraft Privilege Customer Policy

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. signature-based point of sale transactions); (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.

While we are not obligated to pay any item presented for payment if your account does not contain enough money, as long as you maintain your account in "good standing," we may approve your overdraft items within your current available Peoples Overdraft Privilege limit as a non-contractual courtesy.

For Peoples Overdraft Privilege consideration, your account is in "good standing" if you (1) deposit enough money 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 Peoples Overdraft Privilege as a continuing line of credit; and (3) have no legal orders, levies or liens against your account.

In the normal course of business, we generally pay electronic transactions first and then checks, as received, 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 we pay your items in may create multiple overdraft items in a single banking day and you will be charged our Overdraft Fee of \$32 for each overdraft item paid.

You may opt out of the program 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 \$32 per item will be deducted from the Peoples Overdraft Privilege 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 is not in good standing as defined above, or, if based upon our review of your account management, we determine that you are using Peoples Overdraft Privilege excessively or seem to be using Peoples Overdraft Privilege as a regular line of credit. You will be charged a Returned Item Fee of \$32 for each item returned.

We will notify you promptly 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 \$32 and/or a 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 an overdraft on an account with more than one owner on the signature card, each owner and agent, if applicable, is jointly and severally liable for all overdrafts including all fees charged.

Peoples Overdraft 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, reconcile your checkbook regularly, and manage your finances responsibly. If you would like to have this service removed from your account, please call 888.929.9902 or stop by any of our locations.

Please note that your Peoples Overdraft Privilege limit may be available for each item paid under limit created by checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic payment (ACH) transaction, or automatic bill payment and recurring debit card payment. For business accounts the limit may be available for ATM and everyday debit card transactions. For all other personal accounts, at your request, we may authorize and pay ATM transfer or withdrawals and everyday debit card purchases using your limit. Your available balance may be affected by authorizations which could create additional overdrafts and associated fees. When you ask for your account balance, please remember the amount we show you does not include your overdraft limit.

LIMITATIONS: Peoples Overdraft Privilege is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or business use. Peoples State Bank reserves the right to limit participation to one account per household or business and to suspend, revoke, or discontinue this service without prior notice. If your limit is suspended, unless we notify you otherwise 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.

Withdrawals subject to additional account fees when exceeding a certain withdrawal limit. See account disclosure for details.