

Merchants and Farmers Bank

Dumas, Arkansas (870)382-4311

(Non-Sufficient Funds) OVERDRAFT PRIVILEGE POLICY

It is the policy of our Bank to comply with applicable laws and regulations, and to conduct business in accordance with applicable safety and soundness standards.

The overdraft privilege balance is NOT added to your account balance for availability, but rather may be accessed if your account becomes insufficient or is overdrawn. An insufficient balance may result from: A) The Payment of checks, electronic funds transfers, or other withdrawal requests using your checking account number; B) Automatic payments authorized by you; C) The return, unpaid, of items deposited by you; D) The imposition of bank service charges; or E) The deposit of items which according to the Bank's Funds Availability Policy, are treated as not yet "available" or finally paid. We do NOT authorize and pay overdrafts for ATM and/or debit card transactions against the overdraft privilege amount.

We are not obligated to pay item(s) presented for payment if your account does not contain sufficient collected funds. However, if you maintain your account in good standing, as defined; A) Making regular deposits sufficient to cover your transactions; B) Bringing your account to a positive balance - meaning not overdrawn for more than thirty days consecutively - and; C) No legal orders outstanding on your account, we will normally honor (pay) your overdrafts up to **\$300**, including our normal Paid Overdrafts Fee(s).

Whether your overdrafts will be paid is discretionary and we reserve the right not to pay for example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts. You will be notified by mail of any overdraft items paid or NSF(s) returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdrafts plus our Paid Overdrafts Fees (NSF/OD) Charges(s) or NSF Returned Item Fee(s) that you owe us shall be due and payable upon demand. If there is an overdraft paid by us on an account with more than one (1) owner on the signature card, each owner, and agent if applicable, drawing/presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts plus our Paid Overdrafts Fee(s) or NSF Returned Item Fee(s).

The overdraft limit may be removed from your account according to bank policy and procedures.

Overdrawn accounts remaining in an overdraft status for 60 days may be charged-off and closed unless a re-payment arrangement has been approved and payments made as scheduled.

LIMITATIONS; Available only to consumer accounts for personal and household use (excluding Money Market accounts; customers with a loan account that has been charged off; or those accounts which an officer deems as otherwise not worthy of this privilege. We may limit the number of accounts eligible for Overdraft Privilege to one account per household. Additionally, we reserve the right to not approve any overdrafts against your account until we can verify that your account is being maintained in good standing, as defined above.

Overdraft Privilege is automatically added to approved accounts upon opening. **Customers have the right to opt-out of the service at any time by signing on the reverse side of this disclosure.**

ACCOUNT FEES: Whether we pay or return a Overdraft item, a handling fee of **\$30.00** per-item will be charged to your account as a Paid Overdrafts Fee(s) or NSF Returned Item Fee. The fee(s) applies to overdrafts created by check(s), in person withdrawal(s), or other ACH items. These fee(s) do NOT apply to ATM and/or debit card transactions.

Merchants and Farmers Bank
OVERDRAFT PRIVILEGE
Opt-Out

I, We _____
(Customer's Name) (Joint Customer's Name)

opt-out of the \$300.00 Overdraft Privilege Service available on the following account(s):

Checking Account Number(s) _____

Customer Signature: _____

❖ Date: _____

| |
|--------------------------------------------------------------------------------------|
| Bank Use Section: Add Teller Alert #46 to account reflecting Opt-Out of OD Privilege |
| Employee: _____ Date: _____ |

Merchants and Farmers Bank also offers other alternative products i.e. of the overdraft privilege program. Customers may link a checking account to another checking or savings account to provide for an automatic transfer of an amount sufficient to prevent an overdraft. Customers must request and sign up for this type of overdraft protection service.

Customers may sign up for Free Online and Telephone Banking with transfer capability and/or may place message alerts to receive text and/or email messages pertaining to their accounts.

Customers may apply for credit services, which are subject to the customer's credit worthiness.

Check/Item Clearing on your account

The law permits us to pay items (checks, drafts, electronic items) drawn on your account in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items that you write or authorize.

When processing items drawn on your account, our policy is to pay them according to the types of items and the dollar amounts.

- a) All items regardless of type coded with a "force pay" code are paid first;
- b) ATM/Debit Card transactions pay second from smallest to largest;
- c) Electronic ACH items pay third from smallest to the largest; and
- d) Checks written by you pay last from smallest to the largest.

If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). The amounts of the overdraft and Paid Overdraft Fee(s) or NSF Returned Item fees are disclosed in a separate disclosure notice. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or authorizing drafts without sufficient funds and incurring the resulting fees.