

What You Need to Know about Overdrafts and Overdraft Fees

Due to federal regulations, Farmers & Merchants Bank will require that you give us permission to provide you with overdraft services on everyday debit/ATM card transactions. Everyday debit card purchases are anytime you use your debit card for a one-time transaction such as the grocery store, restaurant, gas station or doctor's office. Please consider the ways you use your debit card and make the choice that is right for you.

The BENEFITS of overdraft protection:

- It is convenient
- It saves embarrassment
- It provides a safety net
- It is good to have in an emergency

If you decide to OPT-IN:

- The bank will cover your everyday debit card up to your limit and ATM transactions regardless of the funds that exists in your account (ATM daily limits also apply).
- There is no fee to OPT-IN to the protection.
- There is a \$25 overdraft fee each time we pay a transaction when you have insufficient funds available. Only if your account is overdrawn will you incur the overdraft fee's for covered transactions.

If you decide NOT to OPT-IN the bank will not cover your everyday debit card and ATM transactions when there are insufficient funds in your account and your transaction will be declined.

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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:

- We have standard overdraft practices that come with your account.
- We also offer overdraft protection plans, such as a link to a checking or savings account or a line of credit, which may be less expensive 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

- Recurring debit card transactions (such as utility bills)

We do not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- 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 Farmers & Merchants Bank pays my overdrafts?

Under our standard overdraft practices:

- We will charge you a fee of up to \$25 each time we pay an overdraft
- With a total limit of \$125 in fees per day

What if I want Farmers & Merchants Bank to authorize and pay overdrafts on my everyday debit card ATM transactions?

If you also want to authorize and pay overdrafts on ATM and everyday debit card transactions, call 937-866-2455, or visit www.bankwithfm.com, or complete the form attached and present it at or mail it to one of our branches.

Imagine these scenarios:

You're in the grocery store check-out line with a cart full of groceries. You swipe your card and it is declined.

You're out of town at a gas station and you need to fill your tank. You go to pay with your debit card at the pump and it is declined.

You're out of town and need some cash. You go to an ATM, use your card to take out \$300. It is declined.

There are times in life that your checking account balance is at or near zero and your card won't allow you to make a purchase or a cash withdrawal. You may have made a mistake in balancing your account, a debit comes out of your account sooner than expected, or you are just one day away from payday.

But, by simply Opting-IN to F&M's Overdraft Protection below, each of the above scenarios would have resulted in the successful completion of the transaction! Best of all, there is no cost to sign up and there will never be a charge if you don't use the service.

*After a new account has been opened for 30 days, as non-contractual courtesy, we may pay your overdrafts up to the account limit depending on which type of account you may have. The purpose of this program is to cover inadvertent overdrafts. Normal overdraft fees (\$25 per occurrence) apply and will be deducted from available overdraft limit. You agree to make a deposit sufficient to cover the overdraft within 30 days. We reserve the right to refuse to pay any overdrafts at any time. Returned item fee is \$25 also. This fee applies to overdrafts created by check, in person withdrawal, ATM withdrawal, or other electronic means.

MEMBER FDIC

I Agree

Overdraft Authorization

Optin YES, I DO want Farmers & Merchants Bank to authorize and pay overdrafts
on my ATM and everyday debit card transactions for the account selected.

Optout NO, I DO NOT want Farmers & Merchants Bank to authorize and pay
overdrafts on my ATM and everyday debit card transactions for the account selected.