

## OVERDRAFT COVERAGE

The best way to avoid overdraft fees is to keep track of your account balance, record transactions and review your account regularly however we understand that mistakes happen. When they do, ChoiceOne Bank offers multiple ways to cover overdrafts.

### Overdraft Coverage Options:

Service	Cost
Overdraft Protection Link to Another deposit Account you have at ChoiceOne Bank <sup>1</sup>	\$5 fee per transfer
Overdraft Protection Line of Credit <sup>2</sup>	Subject to fees and interest
Bounce Protection	\$35 Overdraft Fee per Item

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

## BOUNCE PROTECTION

Bounce Protection is a discretionary overdraft service that provides you a safety net up to an automatically assigned overdraft limit. It requires no action on your part. 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, and for business accounts only, ATM and everyday debit card transactions. If you have a personal account and request us to, we may authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your limit.

If you maintain your account in “good standing”, we may approve your overdraft items within your current available Bounce Protection limit as a courtesy. For your account to be considered in “good standing”, the following must be true:

- Deposit enough money to bring your account balance to a positive end-of-day balance at least every 32 calendar days
- Avoid excessive overdraft making it appear Bounce Protection is being used as a line of credit
- No legal orders, levies, or liens against your account

### Bounce Protection Limits

Personal Checking Accounts	\$700
Commercial Checking Accounts	\$1,500

Bounce Protection limits are available to new customers as soon as your checking account is opened. It may remain available to you provided your account remains in “good standing” as defined in this disclosure.

### Requesting/Removing Bounce Protection

If you would like to request or discontinue Bounce Coverage, you may visit any branch or call us at 888.775.6687.

**Accessing Bounce Protection:** You can access your Bounce Protection in the following ways:

Transactions Covered with Bounce Protection	Standard Coverage	Enhanced Coverage*
Teller	Yes	Yes
Checks	Yes	Yes
Debit Card (recurring transactions)	No	Yes
Debit Card (everyday transactions)	No	Yes
ATM Withdrawal	Yes	Yes
ACH/Automatic Debits	Yes	Yes
Bill Payments	Yes	Yes
Telephone Banking	Yes	Yes

\*If you chose Enhanced Coverage, ATM withdrawals and everyday debit card transactions will be included with the transactions under Standard Coverage. Commercial accounts automatically receive Enhanced Coverage. Consumers must request Enhanced Coverage to receive it.

**Available Balance & Pre-Authorized Transactions:** Although preauthorization holds from debit card transactions will reduce your available balance, the amount being held for the preauthorization hold is not applied to that debit card transaction. If other account activity has caused the funds available in your account to drop below zero before the debit card transaction is paid, you may no longer have sufficient funds in your account to pay for the transaction, and you may incur an overdraft or NSF fees as a result. Here is an example of how that may happen: on Monday, a debit card transaction is preauthorized because you have enough available funds at that time. A preauthorization hold is then placed on your funds until the merchant presents the transaction for payment. On Tuesday we process and post another transaction (such as a check you wrote) that reduces your available funds below zero. If the merchant presents the original debit card transaction for payment on Wednesday, and your available funds are now below the amount needed to pay the transaction. The debit card transaction will overdraw your account and you may incur an overdraft fee.

**Bounce Protection Cost:** There is no additional cost for Bounce Protection unless you use it. If you use it, you will be charged our paid item Overdraft Fee of \$35 for each overdrawn item whether it is a traditional check, a teller withdrawal, an automatic payment (ACH) transaction or a recurring debit card payment. For businesses accounts, you will be charged a paid item Overdraft Fee of \$35 for ATM and everyday debit card purchases. For personal accounts only, if you have requested us to, we may authorize, and cover ATM and everyday debit card purchases, and we will charge you a paid item Overdraft Fee of \$35. We will send you an overdraft notice each time items are paid, including any fees that were charged.

**Exceeding Bounce Protection Limits:** If you overdraw your account by more than the Bounce Protection limit, your checks and other items may be returned to the payee. This will result in a returned item NSF Fee of \$35 being charged to your account for each item. We will send you a notice if we return checks or items including any fees charged to your account.

**Repayment of Bounce Protection Funds:** You should make every attempt to bring your account to a positive end-of-day balance as soon as possible. You must do so within 32 calendar days otherwise ChoiceOne Bank will suspend your Bounce Protection limit. Your limit may be reinstated once your account returns to “good standing”.

**Repayment Issues:** We are here to assist you with your account. Please contact us at 888.775.6687 if you cannot bring your account to a positive balance in the required time period, are using Bounce Protection more often than you intend to, or do not understand why your account is overdrawn.

**Notifications:** As noted in this disclosure, we will provide you with notice of items that overdraw your account, any items that are returned and the fees associated with the overdraft and/or return. Additionally, we will contact you if you are paying more than six Overdraft Fees in a rolling 12-month period to discuss possible alternatives to Bounce Protection that better meet your needs.

## 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 Bounce Protection limit as a non-contractual courtesy. For Bounce Protection 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 32 calendar days (including the payment of all bank fees and charges); (2) avoid excessive overdrafts suggesting the use of Bounce Protection 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 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 paid item 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 paid item 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 is not in good standing as defined above, or, if based upon our review of your account management, we determine that you are using Bounce Protection excessively or seem to be using Bounce Protection as a regular line of credit. You will be charged a returned item NSF Fee of \$35 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 paid item Overdraft Fee of \$35 and/or a returned item NSF Fee of \$35 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 32 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.

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 checkbook regularly and manage your finances responsibly. If you would like to have this service removed from your account, please call 888.775.6687.

Please note that your Bounce Protection limit may be available for each item paid under the 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, and for business accounts only, ATM and everyday debit card transactions. For all other personal accounts, at your request, we may authorize and pay ATM transfers 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:** Bounce Protection is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or business use. ChoiceOne 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.