

UPDATED APRIL 1, 2024

# YOUR INSURED DEPOSITS



# FDIC

FEDERAL DEPOSIT INSURANCE CORPORATION

## IMPORTANT INFORMATION ABOUT THIS BROCHURE

Your Insured Deposits describes Federal Deposit Insurance Corporation (FDIC) deposit insurance coverage for the most common accounts offered to consumers. Additional information about deposit insurance is available on the FDIC public website, [www.fdic.gov](http://www.fdic.gov), including Deposit Insurance at a Glance. If you have questions about your coverage, you can call the FDIC toll-free at 1-877-ASK-FDIC (1-877-275-3342). In addition, the FDIC Electronic Deposit Insurance Estimator (EDIE) is a simple tool that can help you calculate your deposit insurance coverage. It is available at <https://edie.fdic.gov>.

Depositors should know that federal law expressly limits the amount of insurance the FDIC can pay to depositors when an insured bank fails, and no representation made by any person or organization can either increase or modify that amount.

Please Note: This brochure is not intended as a legal interpretation of the FDIC laws and regulations, nor is it intended to provide estate planning advice. Depositors seeking such assistance should contact a financial or legal advisor.

The information in this brochure is based on the FDIC laws and regulations in effect at publication. These rules can be amended and, therefore, some of the information in this brochure may become outdated. The online version of this brochure, available on the FDIC website at <https://www.fdic.gov/resources/deposit-insurance/brochures/insured-deposits/index.html>, will be updated immediately, if rule changes affecting FDIC insurance coverage are made.

For simplicity, this brochure uses the term “insured bank” to mean any bank or savings association that is insured by the FDIC. To check whether the FDIC insures a specific bank or savings association:

- Call the FDIC toll-free: 1-877-ASK-FDIC (1-877-275-3342)
- Use FDIC “BankFind” at: <https://banks.data.fdic.gov/bankfind-suite/bankfind>
- Look for the FDIC official sign where deposits are received



- Beginning January 1, 2025, look for the FDIC official digital sign on bank websites, bank applications, and, where applicable, certain bank ATMs.

**FDIC** FDIC-Insured – Backed by the full faith and credit of the U.S. Government

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*See back cover for more resources available from the FDIC.*

## WHAT IS THE FDIC?

The FDIC—short for the Federal Deposit Insurance Corporation—is an independent agency of the United States government. The FDIC protects depositors of insured banks located in the United States against the loss of their deposits, if an insured bank fails.

Any person or entity can have FDIC insurance coverage in an insured bank. A person does not have to be a U.S. citizen or resident to have his or her deposits insured by the FDIC.

FDIC insurance is backed by the full faith and credit of the United States government. Since the FDIC began operations in 1934, no depositor has ever lost a penny of FDIC-insured deposits.

## FDIC INSURANCE COVERAGE BASICS

**FDIC insurance covers depositor accounts at each insured bank, dollar-for-dollar, including principal and any accrued interest through the date of the insured bank's closing, up to the insurance limit.**

FDIC insurance covers deposits received at an insured bank, but does not cover investments, even if they were purchased at an insured bank.

### The FDIC insures:

- Checking Accounts
- Negotiable Order of Withdrawal (NOW) Accounts
- Savings Accounts
- Money Market Deposit Accounts (MMDAs)
- Time Deposits, such as Certificates of Deposit (CDs)
- Cashier's Checks, Money Orders, and other official items issued by a bank

### The FDIC does not insure:

- Stock Investments
- Bond Investments
- Mutual Funds
- Crypto Assets
- Life Insurance Policies
- Annuities

- Municipal Securities
- Safe Deposit Boxes, or their contents
- U.S. Treasury Bills, Bonds, or Notes\*

*\* These investments are not insured by the FDIC, but they are backed by the full faith and credit of the U.S. government.*

**The standard maximum deposit insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category.**

The FDIC insures deposits that a person holds in one insured bank separately from any deposits that the person owns in another separately chartered insured bank. For example, if a person has a certificate of deposit at Bank A and has a certificate of deposit at Bank B, the accounts would each be insured separately up to \$250,000. Funds deposited in separate branches of the same insured bank are not separately insured.

The FDIC provides separate insurance coverage for funds depositors may have in different categories of legal ownership. The FDIC refers to these different categories as “ownership categories.” This means that a bank customer who has multiple accounts may qualify for more than \$250,000 in insurance coverage, if the customer’s funds are deposited in different ownership categories and the requirements for each ownership category are met.

## **OWNERSHIP CATEGORIES**

This section describes the following FDIC ownership categories and the requirements a depositor must meet to qualify for insurance coverage above \$250,000 at one insured bank.

- Single Accounts
- Certain Retirement Accounts
- Joint Accounts
- Trust Accounts
- Employee Benefit Plan Accounts
- Corporation/Partnership/Unincorporated Association Accounts
- Government Accounts

## SINGLE ACCOUNTS

A Single Account is a deposit owned by one person with no beneficiaries. This ownership category includes:

- An account held in one person's name only, with no beneficiaries
- An account established for one person by an agent, nominee, guardian, custodian, or conservator, including Uniform Transfers to Minors Act Accounts, Escrow Accounts, and Brokered Deposit Accounts (See page 22 for a discussion on pass-through accounts.)
- An account held in the name of a business that is a sole proprietorship (e.g., a "Doing Business As" [or DBA] account)
- An account established for or representing a deceased person's funds — commonly known as a Decedent's Estate Account
- An account that fails to qualify for separate coverage under another ownership category

If an account title identifies only one owner, but another person has the right to withdraw funds from the account (e.g., as Power of Attorney or Custodian), the FDIC will insure the account as a Single Account.

**The FDIC adds together the balances in all Single Accounts owned by the same person at the same bank and insures the total up to \$250,000.**

### Note on Beneficiaries

If the owner of a Single Account has designated one or more beneficiaries who will receive the deposit when the account owner dies, the account would be insured as a Trust Account.

### EXAMPLE 1: Single Account

Account Title	Deposit Type	Account Balance
Marci Jones	MMDA	\$15,000
Marci Jones	Savings	\$20,000
Marci Jones	CD	\$200,000
Marci's Memories (A Sole Proprietorship)	Checking	\$25,000
<b>Total</b>		<b>\$260,000</b>
<b>Amount Insured</b>		<b>\$250,000</b>
<b>Amount Uninsured</b>		<b>\$10,000</b>

## Explanation

Marci Jones has four Single Accounts at the same insured bank, including one account in the name of her sole proprietorship. The FDIC insures deposits owned by a sole proprietorship as a Single Account of the business owner. The FDIC combines the four accounts, which equal \$260,000, and insures the total balance up to \$250,000, leaving \$10,000 uninsured.

## CERTAIN RETIREMENT ACCOUNTS

Deposits in a retirement account are insured under the Certain Retirement Accounts ownership category only if the account qualifies as one of the following:

- Individual Retirement Account (IRA):
  - » Traditional IRA
  - » Roth IRA
  - » Simplified Employee Pension (SEP) IRA
  - » Savings Incentive Match Plans for Employees (SIMPLE) IRA
- Self-directed defined contribution plan account:
  - » Self-directed 401(k) plan
  - » Self-directed SIMPLE IRA held in the form of a 401(k) plan
  - » Self-directed defined contribution profit-sharing plan
- Self-directed Keogh plan account (or H.R.10 plan account) designed for self-employed individuals
- Section 457 deferred compensation plan account, such as an eligible deferred compensation plan provided by state and local governments, regardless of whether the plan is self-directed

**The FDIC adds together all deposits in retirement accounts listed above owned by the same person at the same insured bank and insures the total amount up to a maximum of \$250,000. Beneficiaries can be named on these accounts, but that does not increase the amount of the deposit insurance coverage.**

“Self-directed” means that plan participants have the right to direct how the money is invested, including the ability to direct that deposits be placed at an FDIC-insured bank.

The FDIC considers an account to be self-directed, if a retirement plan participant has the right to choose a particular bank's deposit accounts as an option. For example:

- If a plan has deposit accounts at a particular insured bank as its default option, then the FDIC would deem the plan to be self-directed for insurance coverage purposes because, by inaction, the participant has directed the placement of such deposits.
- If a plan consists only of a single employer/employee, and the employer establishes the plan with a single option of deposit accounts at a particular insured bank, then the plan would be considered self-directed for insurance coverage purposes.

**The following types of deposits do not qualify as Certain Retirement Accounts:**

- A plan for which the only investment vehicle is the deposit accounts of a particular bank, so that participants have no choice of investments.
- Deposit accounts established under Section 403(b) of the Internal Revenue Code (annuity contracts for certain employees of public schools, tax-exempt organizations, and ministers), which are insured as Employee Benefit Plan accounts.
- Defined benefit plan deposits (plans for which the benefits are determined by an employee's compensation, years of service, and age), which are insured as Employee Benefit Plan accounts.
- Defined contribution plans that are not self-directed, which are insured as Employee Benefit Plan Accounts.

**EXAMPLE 2: Certain Retirement Accounts**

<b>Account Title</b>	<b>Account Balance</b>
Bob Johnson's Roth IRA	\$180,000
Bob Johnson's Traditional IRA	\$75,000
<b>Total</b>	<b>\$255,000</b>
<b>Amount Insured</b>	<b>\$250,000</b>
<b>Amount Uninsured</b>	<b>\$5,000</b>



## Explanation

Bob Johnson has two different types of retirement accounts that qualify as Certain Retirement Accounts at the same insured bank. The FDIC adds together the deposits in both accounts, which equal \$255,000. The FDIC insures the total balance of Bob's deposits in these certain retirement accounts up to \$250,000, which leaves \$5,000 of his deposits uninsured.

## JOINT ACCOUNTS

A Joint Account is a deposit owned by two or more people with no beneficiaries. FDIC insurance covers joint accounts owned in any manner conforming to applicable state law, such as joint tenants with right of survivorship, tenants by the entirety, and tenants in common.

To qualify for insurance coverage under this ownership category, all of the following requirements must be met:

1. All co-owners must be living people. Legal entities such as corporations, trusts, estates, or partnerships are not eligible for joint account coverage.
2. All co-owners must have equal rights to withdraw deposits from the account. For example, if one co-owner can withdraw deposits on his or her signature alone, but the other co-owner can withdraw deposits only with the signature of both co-owners, the co-owners would not have equal withdrawal rights.
3. All co-owners have personally signed, which may include signing electronically, a deposit account signature card, or alternatively, the insured bank has information in its deposit account records establishing co-ownership of the account. This requirement does not apply to CDs or accounts established by an agent, nominee, guardian, custodian, executor, or conservator.

**If all of these requirements are met, each co-owner's shares of every joint account that he or she owns at the same insured bank are added together and the total is insured up to \$250,000.**

The FDIC assumes that all co-owners' shares are equal unless the deposit account records state otherwise.

The balance of a Joint Account can exceed \$250,000 and still be fully insured. For example, if the same two co-owners jointly own both a \$350,000 CD and a \$150,000 savings account at the same insured bank, the two accounts would be added together and insured up to \$500,000, providing up to \$250,000 in insurance coverage for each co-owner. This example assumes that the two co-owners have no other joint accounts at the bank (either together or with any other individuals).

Insurance coverage of joint accounts is not increased by rearranging the owners' names or Social Security numbers, or changing the styling of their names.

### Note on Beneficiaries

If the co-owners of a jointly held account have designated one or more beneficiaries who will receive the deposit when the co-owners die, the account would be insured as a Trust Account.

#### EXAMPLE 3: Joint Account

Account Title	Deposit Type	Account Balance	Share per Owner
Mary and John Smith	MMDA	\$230,000	\$115,000
Mary or John Smith	Savings	\$250,000	\$125,000
Mary or John or Robert Smith	CD	\$270,000	\$90,000
<b>Total</b>		<b>\$750,000</b>	

#### Insurance Coverage for Each Owner is Calculated as Follows:

Owners	Total of all Ownership Shares	Amount Insured	Amount Uninsured
Mary	\$330,000	\$250,000	\$80,000
John	\$330,000	\$250,000	\$80,000
Robert	\$90,000	\$90,000	\$0
<b>Total</b>	<b>\$750,000</b>	<b>\$590,000</b>	<b>\$160,000</b>

Alternating the use of “or,” “and,” or “and/or” to separate the names of co-owners in a joint account title, also does not affect the amount of insurance coverage provided.

## Explanation

- The total amount in each joint account is divided by the number of co-owners
- Mary's ownership share in all joint accounts equals  $\frac{1}{2}$  of the MMDA account (\$115,000),  $\frac{1}{2}$  of the savings account (\$125,000), and  $\frac{1}{3}$  of the CD (\$90,000), for a total of \$330,000. Since her coverage in the joint account ownership category is limited to \$250,000, \$80,000 is uninsured
- John's ownership share in all joint accounts is the same as Mary's, so \$80,000 of John's deposits is uninsured
- Robert's ownership share in all joint accounts equals  $\frac{1}{3}$  of the CD (\$90,000), so his share is fully insured

## TRUST ACCOUNTS

Trust Accounts are deposits held by one or more owners under either an informal revocable trust (e.g., Payable on Death (POD) and In Trust For (ITF) accounts), a formal revocable trust, or an irrevocable trust that names beneficiaries. Other non-testamentary trust arrangements (e.g., Interest on Lawyers' Trust Accounts [IOLTAs]) are addressed in the Pass-through Insurance section of this brochure.

**IMPORTANT: As of April 1, 2024, the maximum insurance coverage for a trust owner with five or more beneficiaries is \$1,250,000 per owner. This coverage change applies to both existing and new trust accounts, including CDs (regardless of maturity date). Depositors can name as many beneficiaries as they wish, however the coverage limit will not exceed \$1,250,000 as of April 1, 2024, regardless of the maturity date or the date the CD was purchased.**

For Trust Accounts, the term "owner" also means the grantor, settlor, or trustor of the trust. If a trust has more than one owner, each owner's insurance coverage is calculated separately.

Trust Accounts include:

- **Informal Revocable Trusts** – often called payable on death, Totten trust, in trust for, or as trustee for accounts – are created when the account owner signs a deposit account agreement, directing the bank to transfer the funds in the account to one or more named beneficiaries upon the owner's death.

- **Formal Revocable Trusts** – known as living or family trusts – are written trusts created for estate planning purposes. The owner controls the deposits and other assets in the trust during his or her lifetime. The agreement establishes that the deposits are to be paid to one or more identified beneficiaries upon the owner’s death. These trusts typically become irrevocable upon the owner’s death.
- **Irrevocable Trusts** are deposit accounts held in connection with a trust established by statute or a written trust agreement in which the owner contributes deposits or other property to the trust and gives up all power to cancel or change the trust. An Irrevocable Trust also may come into existence upon the death of an owner of a formal revocable trust. Deposit insurance coverage for irrevocable trust deposits is calculated in the same manner as revocable trust deposits. The rules no longer consider contingencies or the grantor’s retained interest.

## Coverage and Requirements for Trust Accounts

In general, each owner of a Trust Account(s) is insured up to \$250,000 per unique (different) eligible beneficiary, up to a maximum of \$1,250,000 for five or more beneficiaries. A trust (either revocable or irrevocable) must meet all of the following requirements to be insured under the Trust Account category.

1. **Title Indicates Trust Relationship (for formal trusts only).** For formal trust accounts, including revocable and irrevocable trusts, the account title at the bank must indicate that the account is held pursuant to a trust relationship. This requirement can be met by using the terms such as living trust, family trust, irrevocable trust, or any similar language, including simply having the word “trust” in the account title. The account title includes information contained in the bank’s electronic deposit account records.

*For informal revocable trusts (e.g., POD accounts), the account title may include POD/ITF or similar language, but it is no longer required.*

2. **Beneficiaries Identified.** For informal revocable trusts, the beneficiaries must be named in the deposit account records of the bank. For formal trust accounts, both revocable and irrevocable,

beneficiaries must be identified in the formal trust document. For a formal trust agreement, it is acceptable for the trust to use language such as “my issue” or other commonly used legal terms to describe the designated beneficiaries, provided the specific names and number of eligible beneficiaries can be determined. The FDIC does not limit the number of beneficiaries a depositor may identify on a trust at a depository institution for trust accounts even if there are more than five beneficiaries. However, coverage is limited to \$250,000 per beneficiary up to a maximum of \$1,250,000 as described below.

- 3. Beneficiary Eligibility.** To qualify as an eligible beneficiary, for purposes of deposit insurance coverage, a beneficiary must be a living person, a charity, or a non-profit organization. If a charity or non-profit organization is named as a beneficiary, it must qualify as such under Internal Revenue Service (IRS) regulations. Please note if a single owner names the same beneficiary on multiple trust accounts at the same bank, that beneficiary only counts once when determining coverage.

## Trust Deposit Insurance Coverage

**A trust owner’s trust deposits are insured for \$250,000 for each eligible beneficiary, up to a maximum of \$1,250,000 if five or more eligible beneficiaries are named.** This limit applies to the combined interests of all beneficiaries the owner has named in revocable and irrevocable trust accounts at the same bank.

If a trust has more than one owner, each owner’s insurance coverage is calculated separately. Deposit insurance coverage for each trust owner is determined by multiplying \$250,000 times the number of eligible beneficiaries, regardless of the dollar amount or percentage allotted to each beneficiary, with an overall maximum insurance amount of \$1,250,000 for five or more beneficiaries.

A trust owner can identify as many beneficiaries as they like; however, for deposit insurance purposes, a trust account owner that identifies five or more eligible beneficiaries will not be insured beyond \$1,250,000 per bank. In calculating coverage, a beneficiary only counts once per owner, even if the same beneficiary is included multiple times on trust accounts at the same bank.

## Maximum Insurance Coverage per Trust Owner

Number of Unique Beneficiaries	Maximum Deposit Insurance Coverage
1 Beneficiary	\$250,000
2 Beneficiaries	\$500,000
3 Beneficiaries	\$750,000
4 Beneficiaries	\$1,000,000
5 or More Beneficiaries	\$1,250,000

**When calculating coverage for Trust Accounts, the FDIC uses the formula:**

**# of Owners x # of Beneficiaries x \$250,000 = Amount Insured (not to exceed \$1,250,000 per owner for all trust accounts)**

### EXAMPLE 4: Multiple Trust Accounts, five or more beneficiaries

Account Title	Owner	Beneficiaries	Deposit Type	Account Balance
John Jones (Living Trust)	John	Jack, Janet, Ron, Sue, Bob	MMDA	\$10,000
John Jones (POD)	John	Jack, Janet	Savings	\$20,000
John Jones (Irrevocable Charitable Trust)	John	IRS-recognized charity	CD	\$1,250,000
<b>Total</b>				<b>\$1,280,000</b>
<b>Amount Insured</b>				<b>\$1,250,000</b>
<b>Amount Uninsured</b>				<b>\$30,000</b>

## Explanation

John Jones has three trust accounts – one formal revocable trust, one informal revocable trust, and one irrevocable trust at the same insured bank. Between these three trust accounts, John has named six eligible beneficiaries (five different people and a charity). Even though six beneficiaries are named, the maximum insurance coverage is calculated as follows: 1 owner x 5 beneficiaries x \$250,000 = \$1,250,000. John Jones has \$30,000 uninsured because his total balance is \$1,280,000, which exceeds the insurance limit by \$30,000.

FDIC regulations do not limit the number of beneficiaries that a trust owner identifies for their estate planning purposes. (In this example, John Jones identified six.) However, when calculating

insurance coverage, a trust owner's per-bank insurance limit for trust accounts is maximized when they identify five eligible beneficiaries.

**EXAMPLE 5: Multiple Trust Accounts, fewer than five beneficiaries**

Account Number	Account Owner(s)	Account Beneficiaries	Account Balance
1	Paul & Lisa Li (Living Trust)	John & Sharon Li	\$700,000
2	Lisa Li (POD)	Sharon & Bill Li	\$450,000

Owners	Beneficiaries	Share	Insured	Uninsured
Paul	John, Sharon	\$350,000	\$350,000	\$0
Lisa	John, Sharon, Bill	\$800,000	\$750,000	\$50,000
<b>Total</b>		<b>\$1,150,000</b>	<b>\$1,100,000</b>	<b>\$50,000</b>

## Explanation

Each owner's share of each trust account is added together and each owner receives up to \$250,000 of insurance coverage per eligible beneficiary.

- Paul's share: \$350,000 (50% of Account 1)
- Lisa's share: \$800,000 (50% of Account 1 and 100% of Account 2)

Because Paul named two eligible beneficiaries, his maximum insurance coverage is \$500,000 (\$250,000 x 2 beneficiaries). Since his share of Account 1 (\$350,000) is less than \$500,000, he is fully insured.

Because Lisa has named three eligible beneficiaries between Accounts 1 and 2, her maximum insurance coverage is \$750,000 (\$250,000 x 3 beneficiaries). Since her share of both accounts (\$800,000) exceeds \$750,000, she is uninsured for \$50,000.

If you have a more complex trust structure, please contact the FDIC at 1-877-275-3342.

## Life Estate Beneficiaries

An owner who identifies a beneficiary as having a life estate interest in a formal revocable trust is entitled to insurance coverage up to \$250,000 for that beneficiary. A life estate beneficiary is a beneficiary who has the right to receive income from the trust or to use trust deposits during the beneficiary's lifetime, where other beneficiaries receive the remaining trust deposits after the life estate beneficiary dies.

For example, a husband is the sole owner of a living trust that gives his wife a life estate interest in the trust deposits, with the remainder going to their two children upon his wife's death. Maximum insurance coverage for this account is calculated as follows: 1 owner x \$250,000 x 3 different beneficiaries = \$750,000.

## EMPLOYEE BENEFIT PLAN ACCOUNTS

An Employee Benefit Plan Account is a deposit of a pension plan, defined benefit plan, or other employee benefit plan that is not self-directed. An account insured under this category must meet the definition of an employee benefit plan in Section 3(3) of the Employee Retirement Income Security Act (ERISA) of 1974, with the exception of plans that qualify under the Certain Retirement Account ownership category. The FDIC does not insure the plan itself, but insures the deposit accounts owned by the plan.

### Additional requirements for coverage:

- The investment and management decisions relating to the account must be controlled by a plan administrator (not self-directed by the participant).
- The plan administrator must maintain documentation supporting the plan and the beneficial interests of the participants.
- The account must be properly titled as an employee benefit plan account with the bank.

When all of these requirements are met, the FDIC will insure each participant's interest in the plan up to \$250,000, separately from any accounts the employer or employee may have in the same FDIC-insured institution. The FDIC often refers to this coverage as "pass-through coverage," because



the insurance coverage passes through the employer (agent) that established the account to the employee who is considered the owner of the funds.

Even when plans qualify for pass-through coverage, insurance coverage cannot be determined simply by multiplying the number of participants by \$250,000 because plan participants frequently have different interests in the plan.

To determine the maximum amount a plan can have on deposit in a single bank and remain fully insured, the plan administrator must first identify the participant who has the largest share of the plan assets, and calculate the participant's share as a percentage of overall plan assets. Then, the plan administrator must divide \$250,000 by that percentage to arrive at the maximum fully insured amount that a plan can have on deposit at one bank.

**EXAMPLE 6: Employee Benefit Plan That Qualifies for Pass-Through Coverage**

Happy Pet Vet Clinic has a profit-sharing plan for its employees

Account	Balance
Happy Pet Vet Clinic Benefit Plan	\$700,000

Plan Participants	Plan Share	Share of Deposits	Amount Insured	Amount Uninsured
Dr. Todd	35%	\$245,000	\$245,000	\$0
Dr. Jones	30%	\$210,000	\$210,000	\$0
Tech Evans	20%	\$140,000	\$140,000	\$0
Tech Barnes	15%	\$105,000	\$105,000	\$0
<b>Plan Total</b>	<b>100%</b>	<b>\$700,000</b>	<b>\$700,000</b>	<b>\$0</b>

**Explanation**

This employee benefit plan's \$700,000 deposit is fully insured. Dr. Todd's share of the \$700,000 deposit (35% of \$700,000 = \$245,000) is less than \$250,000. All of the other participants' shares of the deposit are also less than \$250,000. Therefore, the entire deposit is insured.

To determine the maximum amount this employee benefit plan can deposit at one bank and ensure all of the funds are fully covered, divide \$250,000 by the percentage share of the plan participant with the largest interest in the plan. In this example,

the maximum fully insured balance for this plan is \$714,285. This amount is calculated as follows: \$250,000 divided by 35% (or 0.35) = \$714,285.

Plan participants who want to know more about how an employee benefit plan's deposits are insured should consult with the plan administrator.

### **Health and Welfare Plans**

Employee benefit plan deposits that do not qualify for pass-through coverage, such as health and welfare plans, are insured up to \$250,000 per bank. Health and welfare plans usually do not qualify for pass-through coverage because the interests of the participants are not ascertainable. A participant will receive payments from the plan based on claims he or she files independent of any specific ownership interest in the plan.

## **CORPORATION/PARTNERSHIP/ UNINCORPORATED ASSOCIATION ACCOUNTS**

Deposits owned by corporations, partnerships, and unincorporated associations, including for-profit and not-for-profit organizations, as well as "Subchapter S," "Limited Liability (LLC)," and "Professional (PC)" Corporations are insured under the same ownership category. Such deposits are insured separately from the personal deposits of the organization's owners, stockholders, partners, or members.

Unincorporated associations typically insured under this category include churches and other religious organizations, community and civic organizations, and social clubs.

To qualify for insurance coverage under this ownership category, a corporation, partnership, or unincorporated association must be engaged in an "independent activity," meaning that the entity is operated primarily for some purpose other than to increase deposit insurance coverage.

**All deposits owned by a corporation, partnership, or unincorporated association at the same bank are combined and insured up to \$250,000.**

Accounts owned by the same corporation, partnership, or unincorporated association, but designated for different purposes, are not separately insured.

For example, if a corporation has both an operating account and a reserve account at the same bank, the FDIC would add both accounts together and insure the deposits up to \$250,000. Similarly, if a corporation has divisions or units that are not separately incorporated, the FDIC would combine the deposit accounts of those divisions or units with any other deposit accounts of the corporation at the bank and the total would be insured up to \$250,000.

The number of partners, members, stockholders, or account signatories established by a corporation, partnership, or unincorporated association does not affect insurance coverage.

For example, the FDIC insures deposits owned by a homeowners' association at one insured bank up to \$250,000 in total, not \$250,000 for each member of the association.

### **Sole Proprietorship**

Accounts held in the name of a sole proprietorship are not insured under this ownership category. Rather, they are insured as the Single Account deposits of the owner, added to the owner's other Single Accounts, if any, at the same bank and the total insured up to \$250,000.

## GOVERNMENT ACCOUNTS

The category known as Government Accounts (also called Public Unit accounts) includes deposit accounts owned by:

- The United States, including federal agencies
- Any state, county, municipality (or a political subdivision of any state, county or municipality), the District of Columbia, Puerto Rico and other government possessions and territories
- A Native American tribe

Insurance coverage of a Government Account is unique in that the insurance coverage extends to the official custodian of the deposits belonging to the government or public unit, rather than to the government unit itself.

Accounts held by an official custodian of a government unit will be insured as follows:

### **In-state accounts:**

- Up to \$250,000 for the combined amount of all time and savings accounts (**including NOW accounts**)
- Up to \$250,000 for the combined amount of all interest-bearing and noninterest-bearing demand deposit accounts (since July 21, 2011, banks have been allowed to pay interest on demand deposit accounts)

### **Out-of-state accounts:**

- Up to \$250,000 for the combined amount of all deposit accounts

### **Negotiable Order of Withdrawal (NOW) account**

A Negotiable Order of Withdrawal (NOW) account is a savings deposit – not a demand deposit account.

To learn more about deposit insurance coverage for Government Accounts, see the FDIC's Fact Sheet – Deposit Insurance for Accounts Held by Government Depositors at:

<https://www.fdic.gov/resources/deposit-insurance/accounts-government-depositors/index.html>.

## PUTTING IT ALL TOGETHER: USING MULTIPLE OWNERSHIP CATEGORIES

The FDIC provides separate insurance coverage for a depositor's funds at the same insured bank, if the deposits are held in different ownership categories. To qualify for this expanded coverage, the requirements for insurance coverage in each ownership category must be met.

The example below illustrates how a husband and wife with three children could qualify for up to \$3,500,000 in FDIC coverage at one insured bank. This example assumes that the funds are held in qualified deposit products at an insured bank and these are the only accounts that the family has at the bank.

**Note:** This example is intended solely to describe the use of different account ownership categories and not to provide estate planning advice.

### EXAMPLE 7: Insurance Coverage for a Husband and Wife with Deposit Accounts in Multiple Ownership Categories

Title	Account Ownership Category	Owner(s)	Beneficiaries	Maximum Insurable Amount
Husband	Single Account	Husband		\$250,000
Wife	Single Account	Wife		\$250,000
Husband & Wife	Joint Account	Husband & Wife		\$500,000
Husband POD	Trust Account	Husband	Wife	\$250,000
Wife POD	Trust Account	Wife	Husband	\$250,000
Husband & Wife Formal Revocable Trust	Trust Account	Husband & Wife	Child 1, 2, 3	\$1,500,000
Husband IRA	Certain Retirement Account	Husband		\$250,000
Wife IRA	Certain Retirement Account	Wife		\$250,000
<b>Total</b>				<b>\$3,500,000</b>

## Explanation

### Single Account Ownership Category

The FDIC combines all single accounts owned by the same person at the same bank and insures the total up to \$250,000. The Husband's single account deposits do not exceed \$250,000 so his funds are fully insured. The same facts apply to the Wife's single account deposits. Both accounts are fully insured.

### Joint Account Ownership Category

Husband and Wife have one joint account at the bank. The FDIC combines each co-owner's shares of all joint accounts at the bank and insures each co-owner's total up to \$250,000. The Husband's ownership share in all joint accounts at the bank equals  $\frac{1}{2}$  of the joint account (or \$250,000), so his share is fully insured. The Wife's ownership share in all joint accounts at the bank equals  $\frac{1}{2}$  of the joint account (or \$250,000), so her share is fully insured.

### Trust Accounts Ownership Category

To determine insurance coverage for trust accounts, the FDIC first determines the amount of the trust's deposits belonging to each owner. In this example:

- Husband's share = \$1,000,000 (100% of the Husband's POD account naming Wife as beneficiary and 50% of the Husband and Wife Living Trust account identifying Child 1, Child 2, and Child 3 as beneficiaries)
- Wife's share = \$1,000,000 (100% of the Wife's POD account naming Husband as beneficiary and 50% of the Husband and Wife Living Trust account identifying Child 1, Child 2, and Child 3 as beneficiaries)

Second, the FDIC determines the number of beneficiaries for each owner. In this example, each owner has four unique beneficiaries (Spouse, Child 1, Child 2, and Child 3). When a trust owner names five or fewer unique beneficiaries, the owner is insured up to \$250,000 for each unique beneficiary. The Husband's share of the revocable trust deposits is insured up to \$1,000,000 ( $\$250,000 \times 4$  beneficiaries = \$1,000,000). The Wife's share of the revocable trust deposits is insured up to \$1,000,000 ( $\$250,000 \times 4$  beneficiaries = \$1,000,000).

All three trust accounts are fully insured.

### **Certain Retirement Accounts Ownership Category**

The FDIC adds together all Certain Retirement Accounts owned by the same person at the same bank and insures the total up to \$250,000. The Husband and Wife each have an IRA deposit at the bank with a balance of \$250,000. Because each account is within the insurance limit, the funds are fully insured.

## UNIQUE OWNERSHIP SCENARIOS

### Pass-Through Deposit Insurance Coverage

“Pass-through” deposit insurance is a method of insuring depositors whose funds are placed and held at an FDIC-insured bank through a third party. Third parties in pass-through arrangements may include, but are not limited to:

- Parent acting as guardian for a minor child
- Lawyer or law firm holding client funds (IOLTA)
- Executors, estate administrators, or other similar roles
- Agents, custodians, nominees, trustees (other than trustees of revocable or irrevocable trusts), or fiduciaries
- Companies that offer financial products or services through partnerships or arrangements with FDIC-insured banks
- Brokers who offer brokered CDs
- Companies that place their customers’ funds into different banks to help customers maximize their deposit insurance coverage

If the following requirements are satisfied, the deposited funds would be insured to the same extent as if deposited at the bank in the name of the underlying owner(s):

1. A relationship providing a basis for pass-through coverage is expressly disclosed in the bank’s deposit account records. This is often accomplished through account titling indicating that a deposit account is held, for example, as agent or for the benefit of others.
2. The identity and ownership interest of each owner is ascertainable from the bank’s deposit account records or records maintained by the third party (or another person or entity that has agreed to maintain records on its behalf).
3. The underlying owners, rather than the third party that maintains the account at the insured bank, actually own the funds.

The FDIC determines whether these requirements are satisfied at the time of an insured bank’s failure.



Deposits insured on a pass-through basis are added to any other deposits that the owner holds in the same ownership category at the same bank for purposes of the deposit insurance limit. For example, if a broker purchases a CD for a single owner at an insured bank, and that person maintains a separate checking account in the Single Account category at the same bank, the two balances would be added together and insured for up to \$250,000 in the Single Account category.

## Health Savings Accounts

### **What is a Health Savings Account?**

A Health Savings Account (HSA) is an IRS qualified tax-exempt trust or custodial deposit that is established with a qualified HSA trustee, such as an FDIC-insured bank, to pay or reimburse a depositor for certain medical expenses.

### **How does the FDIC insure an HSA?**

An HSA, like any other deposit, is insured based on who owns the funds and whether beneficiaries have been named. If a depositor opens an HSA and names beneficiaries either in the HSA agreement or in the bank's records, the FDIC would insure the deposit under the Trust Account category. If a depositor opens an HSA and does not name any beneficiaries, the FDIC would insure the deposit under the Single Account category. For an HSA established by an employer for employees, the FDIC would insure the HSA as an Employee Benefit Plan Account.

### **How should an HSA be titled?**

The identification of a deposit as an HSA, such as "John Smith's HSA," is sufficient for titling the deposit to be eligible for Single Account or Trust Account coverage, depending on whether eligible beneficiaries are named.

## Mortgaging Servicing Accounts

### **What is a Mortgage Servicing Account?**

Mortgage Servicing Accounts are accounts maintained by a mortgage servicer, in a custodial or other fiduciary capacity, which are composed of payments by mortgagors (borrowers) of principal and interest (P&I).

## **How does the FDIC insure Mortgage Servicing Accounts?**

The account is insured to the mortgage investors for the cumulative balance paid into the account by borrowers, or in order to satisfy borrowers' principal or interest obligations to the lender, up to \$250,000 per mortgagor. The calculation of coverage for each P&I account is separate if the mortgage servicer or mortgage investor has established multiple P&I accounts in the same bank.

For example, a mortgage servicer collects from 1,000 different borrowers their monthly mortgage payments of \$2,000 (P&I) and places the funds into a mortgage servicing account. The \$2,000,000 aggregate balance in the mortgage servicing account is fully insured to the lender because each borrower's payment of \$2,000 (P&I) is insured separately for up to \$250,000.

Although mortgage servicers often collect tax and insurance (T&I) payments, these accounts are separately maintained and not considered mortgage servicing accounts for deposit insurance purposes. The T&I deposits belong to the borrower's pending payment of their real estate taxes and/or property insurance premium to the taxing authority or insurance company. The T&I deposits are insured on a "pass-through" basis to the borrowers.

## FREQUENTLY ASKED QUESTIONS

### Bank Changes

#### **What happens to my deposits if my bank fails?**

In the unlikely event of a bank failure, the FDIC acts quickly to protect insured deposits by arranging a sale to a healthy bank, or by paying depositors directly for their deposit accounts up to the insured limit.

**If the FDIC finds a bank to acquire the failed bank, it will try to arrange a Purchase and Assumption Transaction**, under which a healthy bank acquires the insured deposits of the failed bank. Insured depositors of the failed bank immediately become depositors of the acquiring bank and have access to their insured funds. The acquiring bank may also purchase loans and other assets of the failed bank.

It is important for account owners to note that their deposit contract was with the failed bank and is considered void upon the failure of the bank. The acquiring institution has no obligation to maintain either the failed bank's rates or terms of the account agreement. Depositors of a failed bank, however, do have the option of either setting up a new account with the acquiring institution or withdrawing some or all of their funds without penalty.

- If the FDIC cannot find a bank to acquire the failed bank's deposits, the FDIC will pay the depositors directly by check up to the insured balance in each account. Such payments usually begin within a few days after the bank's closing.

#### **What happens to my insurance coverage, if I have deposits at two insured banks that merge?**

When two or more insured banks merge, deposits from the assumed bank are separately insured from deposits at the assuming bank for at least six months after the merger. This grace period gives a depositor the opportunity to restructure his or her accounts, if necessary.

CDs from the assumed bank are separately insured until the earliest maturity date after the end of the six-month grace period. CDs that mature during the six-month grace period and are renewed for the same term and in the same dollar amount (either with or without accrued interest) continue to be

separately insured until the first maturity date after the six-month grace period. If a CD matures during the six-month grace period and is renewed on any other basis, it would be separately insured only until the end of the six-month grace period.

Note that in situations of a bank failure where a depositor already has deposits at the acquiring bank, the six-month grace period described would also apply to their deposits.

## Death of Account Owners and Beneficiaries

### **What happens to insurance coverage after an account owner dies?**

The FDIC insures a deceased person's accounts as if the person were still alive for six months after the death of the account holder. During this grace period, the insurance coverage of the owner's accounts will not change unless the accounts are restructured by those authorized to do so. Also, the FDIC will not apply this grace period if it would result in less coverage.

### **How does the death of a beneficiary of an informal revocable trust (e.g., POD account) affect insurance coverage?**

There is no grace period if the beneficiary of a POD account dies. In most cases, insurance coverage for the deposits would be reduced immediately.

For example, a mother deposits \$500,000 in a POD account at an insured bank with her two children named as the beneficiaries in the account records of the bank. While the owner and both beneficiaries are alive, the account is insured up to \$500,000 ( $\$250,000 \times 2$  beneficiaries = \$500,000). If one beneficiary dies, insurance coverage for the mother's POD account is immediately reduced to \$250,000 ( $\$250,000 \times 1$  beneficiary = \$250,000).

### **How does the death of a beneficiary of a formal revocable trust affect the insurance coverage?**

Like informal revocable trusts, the six-month grace period does not apply to the death of a beneficiary named in a formal revocable trust account. However, the terms of the formal revocable trust may provide for a successor beneficiary or some other redistribution of the trust deposits. Depending on these terms, the insurance coverage may or may not change.







## FOR MORE INFORMATION FROM THE FDIC

### Call toll-free

1-877-ASK-FDIC  
(1-877-275-3342)

### Calculate deposit insurance coverage using the FDIC online Electronic Deposit Insurance Estimator (EDIE)

<https://edie.fdic.gov>

### Read more about FDIC deposit insurance online

<https://www.fdic.gov/resources/deposit-insurance/>

### View frequently asked questions on deposit insurance coverage

[www.fdic.gov/resources/deposit-insurance/faq/index.html](http://www.fdic.gov/resources/deposit-insurance/faq/index.html)

### Order FDIC deposit insurance products online

<https://catalog.fdic.gov>

### Submit deposit insurance questions online using the Information and Support Center

<https://ask.fdic.gov/fdicinformationandsupportcenter/s/>

### Submit deposit insurance questions by U.S. Mail

Federal Deposit Insurance Corporation  
Attn: Deposit Insurance Unit  
550 17th Street, NW  
Washington, DC 20429

### For more deposit insurance information:



# FDIC

FDIC-001-2024





# Debit Card Overdraft Authorization

## *Understanding Your Decision*

### if you: Opt In

When your everyday debit card purchase or ATM withdrawal exceeds the balance in your account . . .



You may\* have access to funds not currently available in your account.



You will incur our standard overdraft fee if we honor your debit card purchase or ATM withdrawal.

### if you: Opt Out



Your debit card will be declined and you will not incur an overdraft fee.



You will need to use another cash source or payment method to complete your purchase.

\*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 You Need to Know about Overdrafts and Overdraft Fees

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:

1. We have standard overdraft practices that come with your account.
2. We also offer overdraft protection plans, such as a link to a savings account, 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

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 Hometown Bank pays my overdrafts?**

Under our standard overdraft practices;

- We will charge you a fee of up to **\$28** each time we pay an overdraft.
- Also, if your account is overdrawn for 5 or more consecutive business days, we will charge an additional \$5 per day.
- There is no limit on the total fees we can charge you for overdrawing your account.

➤ **What if I want Hometown Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transaction, complete the form below:

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\_\_\_\_ I do not want Hometown Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

\_\_\_\_ I want Hometown Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Account Number: \_\_\_\_\_



# Terms and Conditions of Your Account

Including Funds Availability Disclosures

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## TERMS AND CONDITIONS OF YOUR ACCOUNT

**AGREEMENT** - This document, along with any other documents we give you pertaining to your account(s), is a contract (also referred to as "this agreement") that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you open the account (whether in-person, electronically, or by any other method permitted by us) or continue to use the account after receiving a notice of change or amendment, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this agreement. If you have any questions, please ask us.

This agreement is subject to applicable federal laws, the laws of the state of Ohio and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this agreement is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this agreement is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this agreement the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this agreement should be construed so the singular includes the plural and the plural includes the singular.

**LIABILITY** - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and we can deduct any amounts deposited into the account and apply those amounts to the shortage. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

**DEPOSITS** - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing indorsement, claim of alteration, encoding error, counterfeit cashier's check or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. If you deliver a deposit to us and you will not be present when the deposit is counted, you must provide us an itemized list of the deposit (deposit slip). To process the deposit, we will verify and record the deposit, and credit the deposit to the account. If there are any discrepancies between the amounts shown on the itemized list of the deposit and the amount we determine to be the actual deposit, we will notify you of the discrepancy. You will be entitled to credit only for the actual deposit as determined by us, regardless of what is stated on the itemized deposit slip. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check or draft for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

### **WITHDRAWALS** -

**Important terms for accounts where more than one person can withdraw** - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

**Postdated checks** - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

**Checks and withdrawal rules** - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted by our policy, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify your account as another type of account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

**Cash withdrawals** - We recommend you take care when making large cash withdrawals because carrying large amounts of cash may pose a danger to your personal safety. As an alternative to making a large cash withdrawal, you may want to consider a cashier's check or similar instrument. You assume full responsibility of any loss in the event the cash you withdraw is lost, stolen, or destroyed. You agree to hold us harmless from any loss you incur as a result of your decision to withdraw funds in the form of cash.

**Multiple signatures, electronic check conversion, and similar transactions** - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

**Notice of withdrawal** - We reserve the right to require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account, other than a time deposit or demand deposit, or from any other savings deposit as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your separately provided notice of penalty for early withdrawal.

### **UNDERSTANDING AND AVOIDING OVERDRAFT** -

**Generally** - The information in this section is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and non-sufficient funds (NSF) is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to overdrafts and NSF transactions.

An overdrawn account will typically result in you being charged an overdraft fee. Generally, an overdraft occurs when there is not enough money in your account to pay for a transaction, but we pay (or cover) the transaction anyway. An NSF transaction is slightly different. In an NSF transaction, we do not cover the transaction. Instead, the transaction is rejected and the item or requested payment is returned. In either situation, we can charge you a fee for the overdraft.

**Determining your available balance** - We use the "available balance" method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your "available" balance may not be the same as your account's "actual" balance. This means an overdraft or an NSF transaction could occur regardless of your account's actual balance.

Your account's actual balance (sometimes called the ledger balance) only includes transactions that have settled up to that point in time, that is, transactions (deposits and payments) that have posted to your account. The actual balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your periodic statement is the ledger balance for your account as of the statement date.

As the name implies, your available balance is calculated based on the money "available" in your account to make payments. In other words, the available balance takes ACH credit transactions and debit card transactions that have been authorized, but not yet settled, and adds or subtracts them from the actual balance. In addition, when calculating your available balance, any "holds" placed on deposits that have not yet cleared are also subtracted from the actual balance. For more information on how holds placed on funds in your account can impact your available balance, read the subsection titled "A temporary debit authorization hold affects your account balance."

**Overdrafts** - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time (sometimes referred to as "everyday") debit card transactions if you have not opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

**Nonsufficient funds (NSF) fees** - If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money available in your account, and we decide not to pay the item or transaction, we will not charge you an NSF fee for returning the payment. Be aware that such an item or payment may be presented multiple times by the merchant or other payee until it is paid, and that we do not monitor or control the number of times a transaction is presented for payment.

**Payment types** - Some, but not necessarily all, of the ways you can access the funds in your account include debit card transactions, automated clearing house (ACH) transactions, and check transactions. All these payment types can use different processing systems and some may take more or less time to post. This information is important for a number of reasons. For example, keeping track of the checks you write and the timing of the preauthorized payments you set up will help you to know what other transactions might still post against your account. For information about how and when we process these different payment types, see the "Payment order of items" subsection below.

**Balance information** - Keeping track of your balance is important. You can review your balance in a number of ways including reviewing your periodic statement, reviewing your balance online, accessing your account information by phone, or coming into one of our branches.

**A temporary debit authorization hold affects your account balance** - On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If one or more transactions are presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, you will be charged an overdraft fee according to our overdraft fee policy, which may result in one or more overdraft or NSF fees. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

**Payment order of items** - The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items.

Our policy is to process ATM and debit card transactions first, in the order they are received on the day they are processed. We process ACH transactions and Bill Pay transactions second, in the order they are received on the day they are processed. We process checks and similar items third, in the order they are received on the day they are processed. We process Online Banking - Telephone Banking, fourth in real time as they occur on the day they are processed. We process wire transfers fifth, in the order they are received on the day they are processed. We process On-us items sixth, in the order they are received on the day they are processed. We process certified, tellers or cashiers checks seventh, in the order they are received on the day they are processed.

If one or more checks, items, or transactions are presented without sufficient funds in your account to pay it, you will be charged an overdraft fee according to our overdraft fee policy, which may result in one or more overdraft fees. We will not charge you a fee for paying an overdraft of an ATM or one-time (sometimes referred to as "everyday") debit card transaction if this is a consumer account and you have not opted-in to that service. The amounts of the overdraft fees are disclosed elsewhere, as are your rights to opt in to overdraft services for ATM and one-time debit card transactions, if applicable. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees.

**OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION** - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership and beneficiary designations on any or all of our accounts unless otherwise prohibited by law. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

**Individual Account** - is an account in the name of one person.

**Joint Account - With Survivorship (And Not As Tenants In Common)** - is an account in the name of two or more persons. Each of you intend that when you die the balance in the account (subject to any previous pledge to which we have agreed) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common.

**Joint Account - No Survivorship (As Tenants In Common)** - This is owned by two or more persons, but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the number of signatures necessary for withdrawal.

**Revocable Trust or Pay-On-Death Account** - If two or more of you create this type of account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating either of these account types may: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time.

**STOP PAYMENTS** - The rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because the most effective way for us to execute a stop-payment order is by using an automated process, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

**TELEPHONE TRANSFERS** - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Limitations on the number of telephonic transfers from a savings account, if any, are described elsewhere.

**AMENDMENTS AND TERMINATION** - We may amend or delete any term of this agreement. We may also add new terms to this agreement. In addition, we may suspend, modify, convert, or terminate a service, convert this account to another account type, or close this account for any reason. For any of these types of changes, we will give you reasonable notice in writing by any reasonable method including by mail, by any electronic communication method to which you have agreed, on or with a periodic statement, or through any other method permitted by law. If we close the account, we will tender the account balance to you or your agent personally, by mail, or by another agreed upon method.

Reasonable notice depends on the circumstances, and in some cases, such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change becomes effective. For instance, if we suspect fraudulent activity with respect to your account, and if we deem it appropriate under the circumstances and necessary to prevent further fraud, we might immediately freeze or close your account and then give you notice.

Unless otherwise indicated in the notice of change, if we have notified you of a change to your account, and you continue to have your account after the effective date of the change, you have accepted and agreed to the new or modified terms. You should review any change in terms notice carefully as the notice will provide important information of which you may need to be aware.

We reserve the right to waive any term of this agreement. However, such waiver shall not affect our right to enforce the term at a later date.

If you request that we close your account, you are responsible for leaving enough money in the account to cover any outstanding items or transactions to be paid from the account. Once any outstanding items or transactions are paid, we will close the account and tender the account balance, if any, to you or your agent personally, by mail, or by another agreed upon method.

Any items and transactions presented for payment after the account is closed may be dishonored. Any deposits we receive after the account is closed may be returned. We will not be liable for any damages for not honoring any such debits or deposits received after the account is closed.

Note: Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. In addition, for changes governed by a specific law or regulation, we will follow the specific timing and format notice requirements of those laws or regulations.

**CORRECTION OF CLERICAL ERRORS** - Unless otherwise prohibited by law, you agree, if determined necessary in our reasonable discretion, to allow us to correct clerical errors, such as obtaining your missing signature, on any account documents or disclosures that are part of our agreement with you. For errors on your periodic statement, please refer to the STATEMENTS section.

**NOTICES** - Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive any notice in time to have a reasonable opportunity to act on it. If a notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Notice we give you via the United States Mail is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we currently have on file. Notice we give you through your email of record, or other electronic method to which you agreed, will be treated as delivered to you when sent. Notice to any of you is notice to all of you.

**STATEMENTS - Your duty to report unauthorized signatures (including forgeries and counterfeit checks) and alterations on checks and other items** - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures (including forgeries and counterfeit checks) or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures or alterations in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

**Your duty to report other errors or problems** - In addition to your duty to review your statements for unauthorized signatures and alterations, you agree to examine your statement with reasonable promptness for any other error or problem - such as an encoding error or an unexpected deposit amount. Also, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing endorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

**Errors relating to electronic fund transfers or substitute checks** - For information on errors relating to electronic fund transfers (e.g., online, mobile, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

**Duty to notify if statement not received** - You agree to immediately notify us if you do not receive your statement by the date you normally expect to receive it. Not receiving your statement in a timely manner is a sign that there may be an issue with your account, such as possible fraud or identity theft. Absent a lack of ordinary care by us, a failure to receive your statement in a timely manner does not extend the time you have to conduct your review under this agreement.

**ACCOUNT TRANSFER** - This account may not be transferred or assigned without our prior written consent.

**REIMBURSEMENT OF FEDERAL BENEFIT PAYMENTS** - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other available legal remedy to recover the amount of our liability.

**TEMPORARY ACCOUNT AGREEMENT** - If the account documentation indicates that this is a temporary account agreement, each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

**SETOFF** - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

**AUTHORIZED SIGNER** - The authorized signer is merely designated to conduct transactions on behalf of the owner or owners. Owners do not give up any rights to act on the account, and the authorized signer may not in any manner affect the rights of owners or beneficiaries, if any, other than by withdrawing funds from the account. Owners are responsible for any transactions of the authorized signer. We undertake no obligation to monitor transactions to determine that they are on behalf of the owners.

We may continue to honor the transactions of the authorized signer until: (a) we have received written notice or have actual knowledge of the termination of authority, and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept the designation of an authorized signer.

For accounts owned by a single individual, the owner may terminate the authority at any time, and the authority is automatically terminated by the death of the owner.

If our policy allows for the designation of an authorized signer on an account with multiple owners (and without any multiple signatures requirement), then the following rules apply: Each owner individually authorizes the authorized signer to act on his/her behalf. Any one owner may revoke or terminate the authorization, and the authorized signer's authority to access the account will continue only as long as no owner has revoked authorization. If no other event terminates the authority of the authorized signer, the authority is terminated upon the death of the last surviving owner.

**RESTRICTIVE LEGENDS OR INDORSEMENTS** - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. For this reason, we are not required to honor any restrictive legend or indorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive indorsement.

**FACSIMILE SIGNATURES** - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

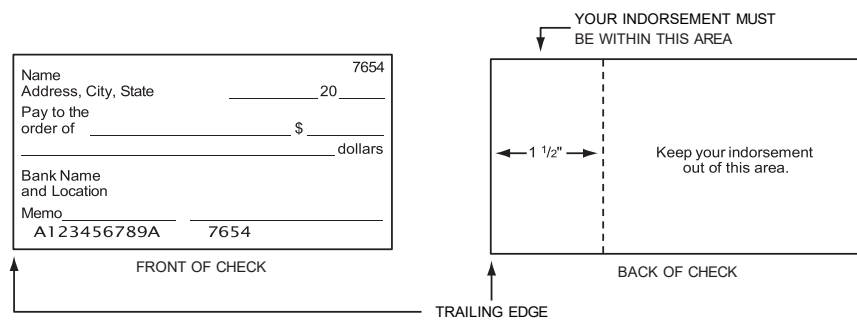
**CHECK PROCESSING** - We process items mechanically by relying almost exclusively on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of indorsements unless you notify us in writing that the check requires multiple indorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

**CHECK CASHING** - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

**INDORSEMENTS** - We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 1/2" of that edge.



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement or information you have printed on the back of the check obscures our indorsement.

These indorsement guidelines apply to both personal and business checks.

**DEATH OR INCOMPETENCE** - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

**FIDUCIARY ACCOUNTS** - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

**CREDIT VERIFICATION** - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

**LEGAL ACTIONS AFFECTING YOUR ACCOUNT** - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action as required by applicable law. However, nothing in this agreement shall be construed as a waiver of any rights you may have under applicable law with regards to such legal action. Subject to applicable law, we may, in our sole discretion, choose to freeze the assets in the account and not allow any payments or transfers out of the account, or take other action as may be appropriate under the circumstances, until there is a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action and applicable law. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees, and our internal expenses) may be charged against your account, unless otherwise prohibited by applicable law. The list of fees applicable to your account(s) - provided elsewhere - may specify additional fees that we may charge for responding to certain legal actions.

#### **ACCOUNT SECURITY -**

**Your duty to protect account information and methods of access** - Our policy may require methods of verifying your identity before providing you with a service or allowing you access to your account. We can decide what identification is reasonable under the circumstances. For example, process and identification requirements may vary depending on whether they are online or in person. Identification may be documentary or physical and may include collecting a fingerprint, voiceprint, or other biometric information.

It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your accounts. You should also safeguard your username, password, and other access and identifying information when accessing your account through a computer or other electronic, audio, or mobile device or technology. If you give anyone authority to access the account on your behalf, you should exercise caution and ensure the trustworthiness of that agent. Do not discuss, compare, or share information about your account numbers with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device or information and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized. Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

**Positive pay and other fraud prevention services** - Except for consumer electronic fund transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, and you reject those services, you will be responsible for any fraudulent or



unauthorized transactions which could have been prevented by the services we offered. You will not be responsible for such transactions if we acted in bad faith or to the extent our negligence contributed to the loss. Such services include positive pay or commercially reasonable security procedures. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected. The positive pay service can help detect and prevent check fraud and is appropriate for account holders that issue a high volume of checks, a lot of checks to the general public, or checks for large dollar amounts.

**INSTRUCTIONS FROM YOU** - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission, email, voicemail, or phone call to a facsimile number, email address, or phone number not designated by us for a particular purpose or for a purpose that is unrelated to the request or instruction.

**MONITORING AND RECORDING TELEPHONE CALLS AND ACCOUNT COMMUNICATIONS** - Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record, and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account, we may need to contact you about your account from time to time by telephone, text messaging, or email. In contacting you about your account, we may use any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us.

You acknowledge that the number we use to contact you may be assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service, or any other service for which you may be charged for the call. You acknowledge that we may contact you by voice, voicemail, or text messaging. You further acknowledge that we may use pre-recorded voice messages, artificial voice messages, or automatic telephone dialing systems.

If necessary, you may change or remove any of the telephone numbers, email addresses, or other methods of contacting you at any time using any reasonable means to notify us.

**CLAIM OF LOSS** - The following rules do not apply to a transaction or claim related to a consumer electronic fund transfer governed by Regulation E (e.g., an everyday/one-time consumer debit card or ATM transaction). The error resolution procedures for consumer electronic fund transfers can be found in our initial Regulation E disclosure generally titled, "Electronic Fund Transfers." For other transactions or claims, if you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

**EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals)** - We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your separately provided notice of penalty for early withdrawal for additional information.

**CHANGES IN NAME AND CONTACT INFORMATION** - You are responsible for notifying us of any change in your name, address, or other information we use to communicate with you. Unless we agree otherwise, notice of such a change must be made in writing. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent information you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

**RESOLVING ACCOUNT DISPUTES** - We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

**WAIVER OF NOTICES** - To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit an item and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

**ACH AND WIRE TRANSFERS** - This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

**UNLAWFUL INTERNET GAMBLING NOTICE** - Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

**DORMANT ACCOUNTS** - Checking, savings, or matured time deposit account or matured certificate of deposit together with any interest or dividend on it, less any lawful claims, are considered dormant with no activity in a five (5) year period. IRA's or IOTA's accounts are considered dormant with no activity in a three (3) year period. The State of Ohio requires us to send the dormant account funds to the Ohio Department of Commerce. A monthly fee will be charged after three (3) years of inactivity.

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## ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

**Electronic Fund Transfers Initiated By Third Parties.** You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your checking or statement savings account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your checking or statement savings account(s).
- **Electronic check conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.
- **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

Please also see **Limitations on frequency of transfers** section regarding limitations that apply to savings accounts.

**Hometown Telephone Banking - types of transfers** - You may access your account by telephone 24 hours a day at (855) 673-9828 using your personal identification number, a touch tone phone, and your social security number, to:

- transfer funds from checking to checking or savings
- transfer funds from savings to checking or savings
- transfer funds from line of credit to checking or savings
- make payments from checking or savings to loan accounts with us
- get information about:
  - the account balance of checking or savings account(s)
  - deposits to checking or savings accounts
  - withdrawals from checking or savings accounts

Please also see **Limitations on frequency of transfers** section regarding limitations that apply to telephone transfers.

**ATM Transfers - types of transfers, dollar limitations, and charges** - You may access your account(s) by ATM using your ATM card and personal identification number or Debit Mastercard® and personal identification number, to:

- make deposits to checking account(s) at participating ATMs
- make deposits to statement savings account(s) at participating ATMs
- get cash withdrawals from checking or statement savings account(s)
  - you may withdraw no more than \$500.00 per 24 hour period
  - there is no charge for ATM withdrawals from machines we own or operate
  - there is a charge of \$.50 per withdrawal at STAR networks not owned or operated by us and a charge of \$1.50 at non STAR network ATMs
- transfer funds from statement savings to checking account(s)
- transfer funds from checking to statement savings account(s)
- transfer funds from checking to checking account(s)
  - there is no charge for ATM transfers at machines we own or operate
  - there is a charge of \$.50 per transfer at STAR networks not owned or operated by us and a charge of \$1.50 at non STAR network ATMs
- get information about:
  - the account balance of your checking account(s)
  - the account balance of your statement savings account(s)
- change your personal identification number (PIN) at our ATM machines

Some of these services may not be available at all terminals.

Please also see **Limitations on frequency of transfers** section regarding limitations that apply to ATM transfers.

**Types of ATM Card Point-of-Sale Transactions** - You may access your checking or statement savings account(s) to purchase goods (in person), pay for services (in person) and get cash from a merchant, if the merchant permits, or from a participating financial institution.

**Point-of-Sale Transactions - dollar limitations** - Using your card:

- you may not exceed \$500.00 in transactions per 24 hour period

**Types of Debit Mastercard® Signature-Based Transactions and dollar limitations** - You may access your checking account(s) to purchase goods (in person or by phone), pay for services (in person or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

- you may not exceed \$1,500.00 in transactions per 24 hour period

**Point-of-Sale PIN-Based Transactions and dollar limitations** - Using your card you may access your checking account(s) to purchase goods (in person), pay for services (in person), and get cash from a merchant, if the merchant permits, or from a participating financial institution.

- you may not exceed \$500.00 in transactions per 24 hour period

Please also see **Limitations on frequency of transfers** section regarding limitations that apply to debit card transactions.

**Currency Conversion**. If you affect a transaction with your Debit Mastercard® in a currency other than US Dollars, Mastercard will convert the charge into a US Dollar amount. The Mastercard currency conversion procedure includes use of either a government-mandated exchange rate, or a wholesale exchange rate selected by Mastercard. The exchange rate Mastercard uses will be a rate in effect on the day the transaction is processed. This rate may differ from the rate in effect on the date of purchase or the date the transaction was posted to your account.

**Advisory Against Illegal Use**. You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

**Mastercard Automatic Billing Updater Notice of Right to Opt Out**. Your Debit Mastercard will be automatically enrolled in the free Mastercard® Automatic Billing Updater (ABU) service. With ABU, your account files will be updated when information changes because of a product upgrade, card expiration, loss or theft, account closure or other changes. A participating merchant can access that updated card information before requesting a payment. Since not all merchants participate, you should also contact the merchants directly if your card information changes. You are entitled to opt out of this service. You may opt out at any time.

If you want to opt out, mail us notice of your intention to opt out at 142 N. Water St., Kent, OH 44240. You must include your name, address, card number, and signature. If you opt out, you may opt back in if you decide you want the Mastercard Automatic Billing Updater service in the future. You may opt in the same way(s) that you can opt out.

**Hometown Internet Banking Computer Transfers - types of transfers and dollar limitations** - You may access your account(s) by computer through the internet by logging onto our website at [www.ht.bank](http://www.ht.bank) and using your user identification and your password, to:

- transfer funds from checking to checking or savings
- transfer funds from savings to checking or savings
- transfer funds from line of credit to checking or savings
  - the minimum amount you may transfer from a line of credit is \$100.00
- make payments from checking or savings to loan account(s) with us
- make payments from checking to third parties (Bill Pay)
- get information about:
  - the account balance of checking or savings account(s)
  - deposits to checking or savings accounts
  - withdrawals from checking or savings accounts

**Mobile Banking Transfers - types of transfers and dollar limitations** - You may access your account(s) by downloading our mobile banking app and using your user identification and your password, to:

- transfer funds from checking to checking or savings
- transfer funds from savings to checking or savings
- transfer funds from line of credit to checking or savings
  - the minimum amount you may transfer from a line of credit is \$100.00

- make payments from checking or savings to loan account(s) with us
- get information about:
  - the account balance of checking or savings account(s)
  - deposits to checking or savings accounts
  - withdrawals from checking or savings accounts

You may be charged access fees by your cell phone provider based on your individual plan. Web access is needed to use this service. Check with your cell phone provider for details on specific fees and charges.

Please also see **Limitations on frequency of transfers** section regarding limitations that apply to computer transfers.

**Limitations on frequency of transfers.** In addition to those limitations on transfers elsewhere described, if any, the following limitations apply:

- Transfers from a statement savings account can only occur after the account has been open for 30 calendar days.
- Transfers from a statement savings account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer are limited to six per month with no transfers by check, draft, debit card, or similar order to third parties.
- Transfers from a money market account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer or by check, debit card, or similar order to third parties are limited to six per month.
- Transfers from a Passbook Savings account are not offered. Passbooks must be presented for any transaction on a Passbook Savings account.

#### FEES

- We do not charge for direct deposits to any type of account.
- We do not charge for preauthorized payments from any type of account.

Except as indicated elsewhere, we do not charge for these electronic fund transfers.

**ATM Operator/Network Fees.** When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

#### DOCUMENTATION

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (330) 673-9827, or call Telephone Banking at (855) 673-9828 to find out whether or not the deposit has been made.
- **Periodic statements.**

You will get a monthly account statement from us for your checking accounts.

You will get a monthly account statement from us for your statement savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

#### PREAUTHORIZED PAYMENTS

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:
  - Call or write us at the telephone number or address listed in this disclosure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.
  - We will charge you \$28.00 for each stop-payment order you give.
- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

#### FINANCIAL INSTITUTION'S LIABILITY

**Liability for failure to make transfers.** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- (1) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- (2) If you have an overdraft line and the transfer would go over the credit limit.
- (3) If the automated teller machine where you are making the transfer does not have enough cash.
- (4) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- (6) There may be other exceptions stated in our agreement with you.

#### CONFIDENTIALITY

We will disclose information to third parties about your account or the transfers you make:

- (1) where it is necessary for completing transfers; or
- (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (3) in order to comply with government agency or court orders; or
- (4) as explained in the separate Privacy Disclosure.

#### UNAUTHORIZED TRANSFERS

##### a) Consumer liability.

• **Generally.** Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

• **Additional Limits on Liability for Debit Mastercard®.** You will not be liable for any unauthorized transactions using your Debit Mastercard® if: (i) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, and (ii) upon becoming aware of a loss or theft, you promptly report the loss or theft to us. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

- a) **Contact in event of unauthorized transfer.** If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the information from your check without your permission.

#### ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this disclosure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and account number (if any).
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days and 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

HOMETOWN BANK  
ELECTRONIC FUND TRANSFER DEPARTMENT  
142 N. WATER ST., P.O. BOX 310  
KENT, OHIO 44240

Business Days: Monday through Friday

Excluding Federal Holidays

Phone: (330) 673-9827

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

#### NOTICE OF ATM/NIGHT DEPOSIT FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don't leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements you receive.
4. Don't lend your ATM card to anyone.
5. Remember, do not leave your card at the ATM. Do not leave any documents at a night deposit facility.
6. Protect the secrecy of your Personal Identification Number (PIN). Protect your ATM card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your ATM card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. If you lose your ATM card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.
9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lit. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
10. Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
12. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
13. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

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## FUNDS AVAILABILITY

This policy statement applies to all deposit accounts.

Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

### LONGER DELAYS MAY APPLY

**Case-by-case delays.** In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$225 of your deposits, however, will be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

**Safeguard exceptions.** In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

We believe a check you deposit will not be paid.

You deposit checks totaling more than \$5,525 on any one day.

You redeposit a check that has been returned unpaid.

You have overdrawn your account repeatedly in the last six months.

There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

### SPECIAL RULES FOR NEW ACCOUNTS

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the tenth business day after the day of your deposit.

### DEPOSITS AT AUTOMATED TELLER MACHINES

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) will be available on the second business day after the day of deposit, except that U.S. Treasury checks that are payable to you deposited at ATMs that we own or operate will be available on the first business day after the day of deposit. Also, the first \$225 of a deposit made at ATMs we own or operate will be available on the first business day after the day of deposit. Checks drawn on Hometown Bank will be available on the first business day after the day of deposit if the deposit is made at an ATM located on our premises.



#### KENT OFFICE

142 N. Water St., P.O. Box 310, Kent, Ohio 44240 (330) 673-9827

#### BRIMFIELD OFFICE

4023 St. Rt. 43, P.O. Box 310, Kent, Ohio 44240 (330) 673-9556

#### RAVENNA OFFICE AND DRIVE THROUGH

100 E. Main St., Ravenna, Ohio 44266 (330) 298-3104

#### KENT DRIVE THROUGH

203 N. Water St., Kent, Ohio 44240 (330) 677-5793

#### HOURS:

Monday through Thursday

8:30 AM to 4:30 PM

Friday

8:30 AM to 5:30 PM

Saturday

8:30 AM to 12:30 PM

24-Hour Telephone

Banking: 330-673-9828

ATMs at all locations.

All locations are closed on Federal Holidays

# FEE SCHEDULE

The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account.

Replace lost ATM debit or credit card .....	\$5.00	
Check printing.....	(fee depends on style and quantity of check ordered)	
Counter check .....	first five free, \$1.00 each thereafter	
Official check .....	\$5.00	
Money order .....	first one free, \$3.00 each thereafter	
An account is considered dormant if for three years no withdrawals or deposits, other than credited interest, have been made to the account.		
Dormant Account Fee .....	\$5.00 per month	
Garnishments .....	\$50.00	
Levies .....	\$50.00	
Alimony/child support processing fee .....	\$5.00	
The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal, or other electronic means.		
Overdraft - each overdraft paid .....	\$28.00	
Account activity printout .....	\$1.00 per page	
Account research.....	\$20.00 per hour	
Statement reprint.....	\$5.00 per statement	
Account balancing assistance .....	\$20.00 per hour	
Stop payments - each .....	\$28.00	
Domestic	wire	transfer
Incoming .....		\$10.00
Outgoing .....		\$15.00
Foreign wire transfer		
Incoming .....		\$10.00 plus correspondent bank fee
Outgoing .....		\$15.00 plus correspondent bank fee
Photocopy .....		\$1.00 per page
Fax.....		\$1.00 per page
Copy of check (truncated accounts).....		three per month free, \$3.00 each thereafter; \$1.50 online check images
Collection item .....		\$10.00 + correspondent Bank charges
Official check and money order photocopies .....		\$3.00 per check
Telephone transfer from any account to another account .....		\$5.00
Foreign currency order .....		\$3.00 + correspondent bank charges
Foreign currency return (minimum \$25.00).....		\$5.00 + correspondent bank charges
Coin machine.....		Free for customers, 8% for non-customers
Return statement fee .....		\$5.00/statement after three consecutive months of returned statements
Sustained overdraft fee .....		\$5.00 per day (after five business days overdrawn)

Contact Hometown Bank for rate sheet on tiered rates and balances.

We reserve the right to require no less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit or demand deposit, or from any other savings account as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.



**FACTS****WHAT DOES HOMETOWN BANK DO WITH YOUR PERSONAL INFORMATION?**

<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>◆ Social Security number</li> <li>◆ Income</li> <li>◆ Account balances</li> <li>◆ Payment history</li> <li>◆ Credit history</li> <li>◆ Credit scores</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>	
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Hometown Bank chooses to share; and whether you can limit this sharing.	
<b>Reasons we can share your personal information</b>	<b>Does Hometown Bank share?</b>	<b>Can you limit this sharing?</b>
<b>For our everyday business purposes -</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes -</b> to offer our products and services to you	No	We don't share
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes -</b> information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes -</b> information about your creditworthiness	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share
<b>Questions?</b>	Call 330-673-9827 or go to <a href="http://www.ht.bank">www.ht.bank</a>	

What We Do	
<b>How does Hometown Bank protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We also maintain other physical, electronic and procedural safeguards to protect this information and we limit access to information to those employees for whom access is appropriate.</p>
<b>How does Hometown Bank collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>◆ Open an account</li> <li>◆ Apply for a loan</li> <li>◆ Make deposits or withdrawals from your account</li> <li>◆ Give us your income information</li> <li>◆ Show your driver's license</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>◆ sharing for affiliates' everyday business purposes - information about your creditworthiness</li> <li>◆ affiliates from using your information to market to you</li> <li>◆ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>◆ <i>Hometown Bank does not share with our affiliates.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>◆ <i>Hometown Bank does not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>◆ <i>Hometown Bank doesn't jointly market.</i></li> </ul>



**HOMETOWN BANK**  
**IMPORTANT INFORMATION ABOUT YOUR CHECKING ACCOUNT**  
**Substitute Checks and Your Rights**

**What is a substitute check?**

To make check processing faster, federal law permits banks to replace original checks with “substitute checks.” These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: “This is a legal copy of your check. You can use it the same way you would use the original check.” You may use a substitute check as proof of payment just like the original check.

Some or all the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have the rights under other law with respect to these transactions.

**What are my rights regarding substitute checks?**

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check.) The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, insufficient funds fees). The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You’re also entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2500.00 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

**How do I make a claim for a refund?**

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 1-330-673-9827. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include—

- A description of why you have suffered a loss (for example, you think that amount withdrawn was incorrect)
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check (identifying information, for example check number, the name of the person to whom you wrote the check or the amount of the check.)

# TRUTH-IN-SAVINGS DISCLOSURE

## DIRECT INTEREST CHECKING ACCOUNT

**Rate Information** - Your interest rate and annual percentage yield may change. **Frequency of rate changes** - We may change the interest rate on your account at any time.

The interest rate for your account is \_\_\_\_\_% with an annual percentage yield of \_\_\_\_\_%.

**Determination of rate** - At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** - Interest will be compounded every month. Interest will be credited to your account every month.

**Effect of closing an account** - If you close your account before interest is credited, you will not receive the accrued interest.

**Minimum balance to open the account** - You must deposit \$50.00 to open this account.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** - Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations:**

Account requires direct deposit or ACH during the monthly statement cycle.

First box of personalized checks at no charge.

