



OVERDRAFT PRIVILEGE DISCLOSURE Effective April 1, 2022

Community First Bank (the words “we”, “us”, and “our” refer to Community First Bank) offers an Overdraft Privilege Program as an option for the occasional or inadvertent overdraft of your checking account. An overdraft occurs when you do not have enough money in your account(s) to cover a transaction, but we choose to pay it anyway. Payment of items into overdraft is done so with the understanding that you will be making an immediate deposit to return your account to a positive balance. An overdraft does not include:

- Transfers from a credit card account, home equity line of credit account, or overdraft line of credit. * A line of credit is exempt from Reg. Z. –OR–
- A service that transfers funds from another account such as a savings account.

Community First Bank encourages you to review the FDIC publication “Your Guide to Protecting and Managing Overdraft Fees” by [clicking here](#). If you do not have internet access, call us and we will be glad to mail you a copy of this publication. Remember to monitor your account through CFB Online as a method to avoid the risk of generating a fee for nonsufficient funds. We invite you to come by any of our offices at any time and inquire about other options and alternatives to our Overdraft Privilege as outlined below.

Definitions in Accordance with this Disclosure:

Customer: A person that has an account relationship with the bank such as a savings, demand deposit, and/or loan account.

Overdraft: Occurs when money is withdrawn from a bank account and the available balance goes below zero.

Overdraft Privilege Program: Is not a loan or a line of credit but a discretionary service that can be withdrawn at any time without prior notice to pay ACH (bank drafts) and checks.

Alternative Overdraft Options

Transfer from another account: If you have other accounts with us, you can authorize us to transfer the funds needed to cover your overdraft.

First Reserve: A line of credit with varying limits, which are customer specific, is available to cover overdrafts. This service requires you to complete an application. Approval is subject to credit review.

Automatic Balance Notification: Within the Bank’s online banking product, you can be notified through text messaging when your account balance falls below a certain dollar amount. You may call the Bank at any time to receive guidance on enrolling in this functionality. There is no charge to you as a customer.

Overdraft Privilege Options:

Overdraft Privilege: Overdraft Privilege is a discretionary service we can add to your personal and business account(s) to cover overdrafts and is subject to the eligibility criteria as explained below. With this service, we will strive to pay your overdraft items when presented against insufficient funds. Whether overdrafts will be paid is discretionary and we reserve the right not to pay. If you are not making regular deposits or your account balance remains consistently overdrawn, the Bank will most likely choose not to pay any overdrafts. When Community First pays overdraft items for you, you will be charged an Overdraft/Returned Item Fee, as set in the current Fee Schedule for each item that is presented up to five (5) per day for a maximum amount of \$175. Both the amount of the overdraft items and all applicable fees, including but not limited to the \$35.00 Overdraft/Returned Item Fee, are included in this limit. All deposits to overdrawn accounts are applied to the negative balance.

Overdraft Privilege Plus: Overdraft Privilege Plus is a discretionary service we can add to your personal accounts to cover overdrafts for ATM and one-time debit card transactions. Use of Overdraft Privilege Plus is subject to the eligibility criteria as explained below. With this service, we will strive to pay your overdraft items when presented against insufficient funds. Whether overdrafts will be paid is discretionary and we reserve the right not to pay. Overdraft Privilege Plus requires you to Opt-in to take advantage of this option. This service is covered by the Code of Federal Regulations which covers Regulation E and applies to consumer accounts only.

Overdraft Privilege Plus will automatically be applied to the business account based on eligibility and qualifying account type.

Eligibility: There is no application required for the Bank’s discretionary Overdraft Privilege; eligibility is based on you managing your checking account in a responsible manner:

- You are more than 30 days past due on any Bank account and/or loan or delinquent on any other obligation to the Bank.
- You are subject to any legal or administrative orders, levy, or are currently a party in a bankruptcy proceeding.
- You have an outstanding balance on an Overdraft Repayment Plan for any account at the Bank.
- An extended hold is being placed on your checking account or any other account, in which case, your Overdraft Privilege will be suspended without prior notice.
- A minor under the age of 18 years of age
- Your account is classified as dormant.
- You have an unresolved prior loss with the Bank.

Suspension of Privilege: After the Overdraft Privilege program has been activated; Community First retains the right to suspend the privilege at any time based on failure to meet the eligibility criteria. Community First reserves the right to suspend the privilege if, in the Bank's opinion, you are not managing your account in a responsible manner that may harm you or the Bank. In that case, your Overdraft Privilege may be suspended even if you meet all the criteria listed above. In the event your Overdraft Privilege is suspended, we will not pay any items that present against your account.

Transactions covered by Overdraft Privilege: The service or "program" is available for checks you write, ACH withdrawals, and other withdrawals by electronic means; however, the service is not available for ATM withdrawals or one-time debit card transactions unless you authorize Community First to strive to pay those transaction types. You may elect the Overdraft Privilege ATM/POS Opt-In service both in person and/or over the phone. If you have authorized the Bank, applicable overdraft fees may be assessed for item(s) paid into overdraft. You may opt out of coverage on everyday debit card and ATM transactions at any time by contacting us via phone at 1-877-881-2130, or by visiting a branch. Our overdraft program has Unlimited Overdraft daily fees. In the event your ending available balance falls between **(\$0 to \$10.00)** due to one or multiple transactions you will not be charged an Overdraft/Return Fee.

There are two basic types of transactions that affect your account: credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

Credits: Deposits are generally added to your account when we receive them. However, in some cases when you deposit a check, the full amount of the deposit may not be available to you at the time of deposit.

Debits: There are several types of debit transactions. Common debit transactions are generally described as checks (a written check processed through the Federal Reserve System), ACH (data files received daily through Federal Reserve), PIN-Based debit card purchases (transactions using your debit card which utilizes PIN debit network), and Signature Based debit card purchases (transactions using debit card processed through a signature-based network).

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when card is presented for payment. This may be the case where you present your debit card for payment at gas stations, hotels, and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

WE MAY REPORT INFORMATION ABOUT AN ACCOUNT REPAYMENT PROGRAM TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT. Checking accounts that remain overdrawn may be closed and/or charged off. Closed and/or charged off accounts may be reported to national credit reporting agencies. This may have a negative impact on your ability to open future banking relationships.

Overdraft Privilege opt Out: You are **NOT** required to have this service on your account. If you do not want to have Overdraft Privilege, simply contact us, via phone at 1-877-881-2130, or by visiting a branch. We will provide you with an opt out form to remove this service from your account. If you opt-out, you will be charged a returned item fee, based on the Fee Schedule, if a transaction exceeds your account balance. Customers who receive Social Security, federal direct deposit or any other entitlement benefit must opt-out if they do not want the Bank to apply those funds to pay an overdraft.

Payment Order of Items: Deposits and other credit transactions are posted first. Checks, ACH drafts and other items may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, ACH draft, or item and execute other transactions on your account in any order we choose. The order in which we process checks, drafts and items and execute other transactions on your account may affect the total amount of overdraft fees that may be charged to your account. Please contact us if you have questions about how we pay checks and drafts and process transfers and withdrawals.

Calculation Method to Determine Account Balance: The available-balance method is used for purposes of deciding whether to authorize signature-based debit transactions and other electronic transactions. The ledger-balance method is used to determine the account balance for purposes of calculating whether a transaction results in an overdraft and/or whether an Overdraft/Returned Item Fee is assessed when a transaction is settled.

Additional Information: Your account agreement describes the duties, obligations, and rights of depositors, authorized signatories, and the Bank with regard to your deposit accounts. That account agreement is incorporated herein for all purposes as if it were set forth verbatim as to matters not directly addressed by this disclosure. Your account agreement and this disclosure shall be construed so as to minimize conflicts between them.

Waiver: The Bank's forbearance from, or delay in, exercising any of the Bank's rights, remedies, privileges, or right to insist on your strict performance of any provisions of your account agreement, this Overdraft Privilege disclosure, or any other provision related to your account, shall not be construed to be a current or future waiver of the Bank's rights, remedies, or privileges.

Forum Selection: You, as the customer, irrevocably submit to the jurisdiction of Oconee County, South Carolina, and agree that any action brought hereunder venue shall be placed in such county and that you will not claim such forum is inconvenient.