



AUTOMATIC OVERDRAFT SERVICE DISCLOSURE

You should always use your checking account responsibly and never intentionally overdraw your account. However, we realize that financial shortfalls happen, and we should have options available for you. As a benefit to our customers, we offer these useful services to cover you in the event that you overdraw your checking account.

Overdrafts or negative balances may result from: (1) The payment of checks, electronic fund transfers or other withdrawal requests; (2) Payments authorized by you; (3) The return of unpaid items deposited by you; (4) The imposition of applicable Bank fees or service charges; or (5) The deposit of items, which according to the Bank's Funds Availability Policy, are treated as not yet "available."

To help avoid these potentially embarrassing situations, we have the following options available:

Transfer from Another Account: If you have other accounts with us, you can authorize us to transfer the funds needed to cover your overdraft. You will be charged an Overdraft Transfer Fee of \$5.00 per transfer.

Automatic Overdraft Service: This is a service we will automatically be adding to your checking account on the next business day, subject to the eligibility criteria as explained below. With our Automatic Overdraft Service, we will generally pay your overdraft items and charge up to \$180 (or 6 items) daily; however, there are no guarantees that we will pay your overdrafts. The Bank pays overdrafts at our discretion. For example, we typically do not pay overdrafts if your account is not in good standing, if you are not making regular deposits or if you have too many overdrafts. You will be charged our normal Insufficient Funds Charge – Paid Fee of \$30, per item up to 6 per day, for each item that is presented and paid. All deposits to overdrawn accounts are applied to the negative balance first.

Eligibility – No application is required for our Automatic Overdraft Service. Eligibility is at the sole discretion of the Bank and is based on your managing your checking account in a responsible manner.

Our Automatic Overdraft Service applied to your checking account may be suspended or permanently removed based on any of the following criteria:

- You do not bring your account to a positive balance within 30 days of becoming overdrawn.
- Your account type is ineligible.
- You are more than 45 days past due on any Bank 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.
- Your account is being reviewed for fraudulent activity or transactions.

Varsity is not obligated to pay any item presented for payment if your account does not contain sufficient collected funds. However, rather than automatically returning, unpaid, any insufficient funds items you may have, if your account meets the eligibility requirements listed below, we will consider without

obligation on our part, approving your reasonable overdrafts up to your assigned Automatic Overdraft Limit. This limit may change daily. Factors that influence this daily limit include how long the account has been open, your ability to repay, the frequency of your deposits and the amount of the deposits. Of course, any and all fees and charges, including without limitation our Insufficient Funds Charge – Paid Fee (as set forth in our fee schedule) will be included in this limit and will apply to any transaction that overdraws your account including, but not limited to, payments authorized by checks, ACH/Electronic items, internet bank/online banking and telephone banking transactions.

We may refuse to pay an overdraft for you at any time, even though your account is in good standing and even though we may have previously paid overdrafts for you. You will be notified by mail of any overdraft service charges paid or insufficient funds charges for returned items that you may have; however, we have no obligation to notify you before we pay or return any items. The amount of any overdrafts plus our insufficient funds and/or overdraft charges that you owe us shall be due and payable immediately. If there is an overdraft paid by us on an account with more than one owner on the signature card, each owner and agent if applicable, drawing or presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts plus any related charges.

Eligible account types: All products are eligible with the exception of Campus Checking, Bank On Checking, Non-Profit Interest Checking, Non-Profit Checking, BID Checking, Money Market, BID Money Market, Commercial Money Market, Public Funds Money Market and all savings products.

Eligible Transaction Types: Insufficient funds transactions initiated for payment against your checking account(s) may be approved/paid by us using and up to your assigned Automatic Overdraft Limit, including our overdraft service charges. The eligible transaction types will include without limitation: Checks, drafts, transfers, internet and telephone banking transactions.

Posting Order: Transactions may not be processed in the order in which they occurred. The order in which transactions are received by the institution and processed can affect the total amount of overdraft fees you may occur.

If your account is closed and charged off for a negative balance, we may report the negative balance to a consumer reporting agency.

If you decide at a later date to not participate in the Automatic Overdraft Service you must notify the Bank. You may Opt-Out of this service by contacting Varsity's Customer Contact Center at 888.9VARSITY (888.892.7748)

This Automatic Overdraft Service does not constitute an actual or implied agreement between you and Varsity. Nor does it constitute an actual or implied obligation of or by the Bank. This service represents a purely discretionary courtesy or privilege that the Bank may provide to you from time to time and which may be withdrawn or withheld by us at any time without prior notice or reason or cause.

If you do not wish to have this service tied to your account, please check the applicable box opting out.