

July 15, 2015

## **Bounce Protection Customer Overdraft Policy**

### **WHAT IS BOUNCE PROTECTION?**

An overdraft occurs when items presented for payment against your account would, or do, result in a negative balance. Our Bounce Protection is a non-contractual courtesy that if you opt-in and your account remains in “good standing”, allows Texas Bank to cover your checks, recurring debit card transactions and automatic payments and will help prevent your items from being returned unpaid. You may also opt-in separately for one-time ATM and Point of Sale transactions using your debit card and Texas Bank would also cover those items under our Bounce Protection program as long as your account remains in “good standing”.

### **HOW CAN AN OVERDRAFT OCCUR?**

An overdraft could result in several ways, such as, but not limited to:

- (1) the payment of checks, electronic funds transfers or other withdrawal requests;
- (2) payments authorized by you; or
- (3) the deposit of items which, according to the bank’s Funds Availability Policy, are treated as not yet available or finally paid.

### **OPT-IN**

You must choose to opt-in to the Bounce Protection program. You will not be automatically enrolled. Opting-in does not guarantee enrollment in the program. You must opt-in separately for payment of one time ATM and Point of Sale transactions with your debit card. If you do not opt-in for one time ATM and point of sale transactions, your debit card will be declined if you exceed your balance, but you will not incur overdraft fees on these types of transactions. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft plus the bank’s overdraft paid item fee or return item fee of \$29.50 per item will be deducted from the overdraft limit.

### **GOOD STANDING**

Your account must be in “good standing” to continue participating in the program. For continued participation in Bounce Protection, your account is in “good standing” if you:

- (1) make sufficient deposits to bring your account to a positive end-of-day balance within 30 calendar days (including the payment of all bank fees and charges),
- (2) avoid excessive overdrafts suggesting the use of Bounce Protection as a continuing line of credit,
- (3) have no legal orders, levies or liens against your account, and
- (4) have opted-in to the Bounce Protection Program. As long as you maintain your account in “good standing”, we may approve your overdraft items within your current available Bounce Protection limit as a non-contractual courtesy.

### **PAYMENT OF ITEMS**

In the normal course of business, we generally pay teller cash items first in numerical order then according to amount-lowest to highest, then electronic transactions by transaction type – lowest to highest, generally POS, ATM, in-house transfers, ACH debit transactions, then checks in serial number order, per the bank’s policy. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, please be aware that the order of item payment may create multiple overdraft items during a single banking day for which you will be charged our overdraft paid item fee or return item fee of \$29.50 for each overdraft item. The maximum number of overdraft fees or charges that may be assessed per day to your account is 6 overdraft paid item fees and/or return item fees.

Please note that your Bounce Protection limit may be available for each item paid under the limit created by checks and other transactions made using your checking account number, such as teller withdrawal, an automatic payment (ACH) transaction, an automatic bill payment, and recurring debit card payment; and for business accounts only, ATM and

everyday debit card transactions. For all other personal accounts, at your request, we may authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your limit. The limit will not be included in the balance provided during an inquiry.

### **OPT-OUT**

You may opt out of Bounce Protection at any time but you are responsible for any overdrawn balances at the time of opting out. You may also opt out of payment of one time ATM and Point of Sale transactions, but can remain opted in for Bounce Protection for checks, recurring debit card transactions and automatic payments. If you do not opt-in for one time ATM and point of sale transactions, your debit card will be declined if you exceed your balance, but you will not incur overdraft fees on these types of transactions.

### **NOTIFICATION OF OVERDRAFTS**

You will be notified of any overdraft items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdraft including our overdraft paid item fee of \$29.50 and/or a return item fee of \$29.50 that you owe us shall be due and payable upon demand, but if no demand is made, no later than 30 calendar days after the creation of the overdraft. If there is an overdraft on an account with more than one owner on the signature card, each owner shall be jointly and severally liable for all overdrafts inclusive of fees.

### **IF YOU NEED HELP**

Bounce Protection should not be viewed as an encouragement to overdraw your account. To avoid overdraft paid item fees or returned item fees, we encourage you to keep track of your account balance by entering all items in your check register, reconcile your check book regularly, and manage your finances responsibly. If you would like to have Bounce Protection removed from your account, please call customer service at (903) 657-1466 or (888)682-3375.

### **LIMITATIONS**

Bounce Protection is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or household use and business account holders. Texas Bank reserves the right to limit participation to one account per household and to discontinue this service without prior notice. Unless we advise you differently or you request this service be removed from your account, your Bounce Protection limit will be available to cover overdrafts up to your limit per the rules above, however, Texas Bank is not obligated to pay any item at any time.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in good standing as defined above, or, if based upon our review of your account management, we determine that you are using Bounce Protection excessively or seem to be using Bounce Protection as a regular line of credit. You will be charged a return item fee of \$29.50 for each item returned.