

# What You Need to Know About Overdrafts and Overdraft Fees

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Language that is preceded by a box below is included only if the box is checked or marked with an "X".

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway.

We determine if you have enough money in your account to cover a transaction as follows:

- 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.

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 transactions that have been authorized, but not yet settled, and 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.

- We use the "ledger balance" method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Ledger balances only include transactions that have settled up to that point in time, deposits and payments that have posted to your account.

We can cover your overdrafts as follows:

We have standard overdraft practices that come with your account.

- We also offer one or more overdraft protection plans which may be less expensive than our standard overdraft practices, such as the following (to learn more, ask us about these plans):
  - A line of credit
  - A link to another account
  - Checkmate Line of Credit**

This notice explains our standard overdraft practices.

## What are our standard overdraft practices that come with your account?

We do authorize and pay overdrafts for the following types of transactions:

- Checks
- Checks and other transactions using your checking account number
- Automatic bill payments
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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 be charged if Citizens National Bank of Cheboygan pays my overdraft?**

Under our standard overdraft practices the following fees are imposed (if more than one fee is checked, both the first fee checked and any additional fee(s) checked are imposed):

- We charge a fee of \$35.00 each time we pay an overdraft.
- We charge a fee of up to \$ each time we pay an overdraft.
- We charge a fee of \$ for each day your account is overdrawn.
- We charge a fee of up to \$ for each day your account is overdrawn.
- If the account is overdrawn for more than consecutive days, we charge a fee of \$ for each day your account is overdrawn.
- If the account is overdrawn for more than consecutive days, we charge a fee of up to \$ for each day your account is overdrawn.
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One of the following three boxes must be checked or marked with an "X", and if the third is chosen, describe the fee limit:

- There is no limit to the total fees that we can charge you for overdrawing your account.
- The maximum number of overdraft fees that we can assess is limited to per day.
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**What if I want Citizens National Bank of Cheboygan to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, do one of the following:

- call
- visit
- complete the Election Form below, detach it at the dotted line, and deliver it to us or mail it to us at  
**Citizens National Bank of Cheboygan**

----- **ELECTION FORM** -----

\_\_\_\_ I want **Citizens National Bank of Cheboygan** to authorize and pay overdrafts on my ATM and everyday debit card transactions with respect to the account identified below.

X \_\_\_\_\_  
Printed Name:  
Date:  
Account Number: