

OVERDRAFT PRIVILEGE

A Special Service For Checking



At times, unanticipated expenses or unforeseen problems can leave you with too little cash in your checking account. Having a check returned due to insufficient funds can be costly, inconvenient and potentially embarrassing experience.

At Citizens National Bank, we do not encourage overdrafts. As always, we encourage you to manage your finances responsibly. However, we want to save you from additional merchant fees and possible damage to your credit history that might result if a check is returned.

That's why we provide "Overdraft Privilege," a special overdraft service for Citizens National Bank's checking customers.

What is Overdraft Privilege?

Overdraft Privilege is an overdraft service requiring no action on your part. You don't have to sign anything. Your overdraft Privilege limit amount will automatically be assigned.

How does Overdraft Privilege work?

As long as you maintain your account in good standing, Citizens national Bank may approve your overdrafts within your current available overdraft Privilege limit. Whether your overdraft will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing. Your account is in good standing if you (1) demonstrate responsible account management – such as making regular deposits to bring your account to a positive balance at least once every 30 days (including the payment of all bank fees and charges); (2) avoid excessive overdrafts suggesting the use of overdraft Privilege as a continuing line of credit, and (3) there is no legal orders, levies or liens against your account. Please note that the amount of the overdraft plus the standard NSF fee of \$35 for each item will be deducted from the overdraft limit. No interest will be charged on the overdraft balance. **Please refer to the customer policy for additional details.*

How do I know when I use the overdraft limit?

You will receive an overdraft notice in the mail each time items are paid. The notice will show the check number, amount and the NSF fee. You will need to subtract the total fees when balancing your checkbook.

What is my Overdraft Privilege limit? I have two checking accounts. Can I get Overdraft Privilege on both?

Your Overdraft Privilege limit is \$500 on each account you have with us.

What if I go beyond my Overdraft Privilege limit?

Overdrafts above and beyond your established Overdraft Privilege limit may result in a check or checks being returned to the payee. The standard NSF fee will be charged per item and assessed to your account. An NSF notice will be sent to notify you of our actions.

How quickly must I repay my Overdraft Privilege?

You should make every attempt to bring your account to a positive balance as soon as possible, and must do so within 30 days. If you are not able to bring your account to a positive balance within 30 days you will receive a letter from Citizens National Bank informing you of the situation and your options. If, thereafter, your account has not been brought to a positive balance, we may suspend your account and take other steps to recover the funds.

What does my Overdraft Privilege cost?

There is no additional cost associated with this privilege unless you use it. You will be charged our standard NSF fee of \$35 for each item creates by check or through in person withdrawals, ATM withdrawals or other electronic means paid under the limit. (For example, three paid items in one day will result on \$105 in NSF fees.) To help you manage your account, the total fees you have paid for NSF items (both paid and returned) during the current month and for the year-to-date, will be reflected on your monthly checking statement in accordance with Federal regulation.

What are some of the ways I can access my Overdraft Privilege limit? Will my limit be reflected in the balance I receive?

The chart below shows the different ways you can access your Overdraft Privilege limit and indicates whether or not this limit will be reflected in the balance provided.

ACCESS POINTS	IS MY OVERDRAFT PRIVILEGE LIMIT AVAILABLE?	DOES THE BALANCE PROVIDED REFLECT MY OVERDRAFT PRIVILEGE LIMIT?
TELLER	YES	YES
WRITING A CHECK	YES	-NA-
DEBIT CARD	YES	-NA-
ATM WITHDRAWAL	YES	NO
ACH-AUTO DEBIT	YES	-NA-
ONLINE BANKING	NO	NO
TELEPHONE BANKING	NO	NO

How soon can I use my Overdraft Privilege?

If you are a new account holder and have no legal orders, levies or liens against your account you may use the service immediately.

What are some other ways I can cover overdrafts at Citizens National Bank?

The best way to avoid overdraft and bounced check fees is to manage your account so you don't overdraw it. However, if a mistake occurs, Citizens national Bank offers additional ways to cover overdrafts in addition to Overdraft Privilege.

WAYS TO COVER OVERDRAFTS AT CITIZENS NATIONAL BANK	ASSOCIATED FEES
Good account management	\$0
Checkmate line of credit	18%*
Overdraft Privilege	Standard NSF fee of \$35 for each item

*Annual Percentage Rate subject to change without notice.

What if I do not want to have Overdraft Privilege on my checking account?

Overdraft privilege costs you nothing unless you use it. However, if you would like to have this service removed from your account, please call (231) 627-7111.

Overdraft Privilege Customer Policy

An insufficient balance can result from several events, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you; (3) the return unpaid items deposited by you; (4) bank service charges; or (5) the deposit of items which according to the bank's Funds Availability Policy, are treated as not yet available or finally paid. We are not obligated to pay any item presented for payment if your account does not contain sufficient funds. However, if you maintain your account in good standing, we may approve your overdrafts within your current available Overdraft Privilege limit as a non-contractual courtesy. Your account is in good standing if you (1) demonstrate responsible account management –such as making regular deposits to bring your account to a positive balance at least once every 30 days (including the payment of all bank fees and charges); (2) avoid excessive overdrafts suggesting the use of Overdraft Privilege as a continuing line of credit, and (3) there are no legal orders, levies or liens against your account. In addition, based upon our review of your account management, if we determine you may be using Overdraft Privilege as a regular line of credit by creating excessive overdrafts, we may suspend the privilege without any prior notice. In the normal course of business, we generally pay; electronic transactions first and then checks (low to high) 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 overdrafts during a single banking day for which you will be charged our standard NSF fee of \$35 for each overdraft (paid or returned). You may opt out of the privilege at any time, but you are responsible for any overdrawn balances at the time of opting out. 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 standard NSF fee of \$35 (per item) will be deducted from the overdraft limit. We may refuse to pay an overdraft for you at any time even though we may have previously paid overdrafts for you. You will be notified by mail of any non-sufficient funds items paid ore 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 plus our standard NSF fee of \$35 that you owe us shall be due and payable upon demand. 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/presenting the item creating the overdraft, shall be jointly and severally liable for such overdraft plus our standard NSF fee of \$35.

Overdraft Privilege should not be viewed as an encouragement to overdraw your account. As always, we encourage you to manage your finances responsibly. If you would like to have this service removed from your account, please call (231) 627-7111.

Please note that your Overdraft Privilege limit will be reflected in your balance provided by a universal banker, but not reflected at the ATM, through Online Banking or Telebank.

LIMITATIONS: Overdraft Privilege is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or household use. Citizens National Bank reserves the right to limit participation to one account per household and to discontinue this service without prior notice.



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