

Effective through 5/23/2021

**OVERDRAFT COVERAGE OPTIONS:  
OVERDRAFT PRIVILEGE AND OVERDRAFT PROTECTION**

Independent Bank offers Overdraft Coverage on our checking accounts. This service is designed to protect your account from unexpected overdrafts.

**Overdraft Coverage Options**

The choice is yours. Consider these ways to cover overdrafts:

Service	Cost
<b>Overdraft Protection Link to Another Deposit Account you have at Independent Bank<sup>1</sup></b>	<b>\$7 fee per day if transfer is needed</b>
<b>Overdraft Protection Line of Credit<sup>1, 2, 3</sup></b>	<b>Subject to interest &amp; annual fee</b>
<b>Overdraft Privilege</b>	<b>\$34 Overdraft Fee per item. Daily fees may apply. (\$6 daily fee begins after the 5<sup>th</sup> consecutive business day overdrawn)</b>

<sup>1</sup>Call us at 800.355.0641 or visit a branch to sign up or apply for these services; <sup>2</sup>subject to credit approval; <sup>3</sup> available only on consumer accounts.

**Overdraft Protection** services apply to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account or line of credit you may have at Independent Bank for a finance charge. Please note that overdraft lines of credit are subject to credit approval.

**Overdraft Privilege** allows you to overdraw your account up to the Overdraft Privilege limit\* for a fee in order to pay a transaction. Even if you have other forms of Overdraft Protection, Overdraft Privilege is still available as secondary coverage if the other protection source is exhausted.

\*New accounts opened within the past 33 calendar days have an introductory limit of \$100.00. After 33 days, the Overdraft Privilege limit is \$1,000 for eligible business accounts and \$600 for eligible personal accounts.

Transactions Covered with Overdraft Privilege	Standard Coverage (No action required)	Extended Coverage (Your consent required)*	If you would like to select Extended Coverage for future transactions: <ul style="list-style-type: none"> <li>• Call us at 888.300.3193, option 1, option 3, for our 24-hour banking line</li> <li>• Online Banking/Customer Service</li> <li>• Visit any branch</li> <li>• Complete the enclosed consent form and mail it to us at 115 E Main St. Belding, MI 48809</li> </ul>
Checks	X	X	
ACH - Automatic Debits	X	X	
Recurring Debit Card Payments	X	X	
Teller Window Transactions	X	X	
ATM Transactions		X**	
Everyday Debit Card Transactions		X**	

\*\*If you choose Extended Coverage, **ATM withdrawals and everyday debit card transactions** will be included in addition to the transactions listed under Standard Coverage.

You can discontinue the Overdraft Privilege in its entirety by contacting us at 800.355.0641 or visiting any branch.

## What Else You Should Know

- A link to another account or a line of credit is a less expensive option than an overdraft. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts. Good account management is the best way to avoid overdrafts. Use our mobile banking, Internet banking, and telephone banking services to keep track of your balance. For additional financial education resources, please visit [www.mymoney.gov](http://www.mymoney.gov).
- The \$34 Overdraft Fee is the same fee amount that is charged if a check is returned as unpaid. If multiple items overdraw your account on the same day, each item will be assessed an appropriate Overdraft Fee or a Return Fee of \$34. All fees and charges will be included as part of the Overdraft Privilege limit amount. Your account may become overdrawn in excess of the Overdraft Privilege limit amount as a result of a fee.
- If your account balance remains overdrawn for longer than 5 business days, we will charge your account a daily overdraft fee of \$6 for each of the consecutive business days the account remains overdrawn, beginning with day 6.
- For consumer accounts, there is a limit of 5 Overdraft Fees (\$170) per day we will charge. We will not charge an Overdraft Fee if a consumer account is overdrawn by \$5 or less. For business accounts, there is a limit of 10 Overdraft Fees (\$340) per day we will charge. We will not charge an Overdraft Fee if a business account is overdrawn by \$5 or less.
- We generally post items in the following order: credit transactions, such as deposits, are processed first; debit transactions, or withdrawals, from your account are processed as follows: electronic items, such as debit card, ATM and Preauthorized transactions, then checks. The items are processed in order the received and appropriate time and/or serial number order within each category. Items that cannot be determined "in order the received" will be processed in a high to low order. However, because of the many ways we allow you to access your account, the posting order of individual items may differ from these general policies. Holds on funds (described below) and the order in which transactions are posted may impact the total amount of Overdraft Fees or Return Fees assessed.
- Although under payment system rules, Independent Bank may be obligated to pay some unauthorized debit card transactions, Independent Bank will not authorize debit card or ATM transactions unless there are accessible funds (including Overdraft Coverage Options) to cover the transactions and any fee(s).
- Independent Bank authorizes debit card transactions using the accessible balance. We may place a hold on deposited items in accordance with our Deposit Account Agreement and Disclosure, which will reduce the amount of your accessible balance. On accounts with Standard Coverage, the accessible balance for authorizing ATM and everyday debit card transactions is the current balance, as reflected in your account when viewed in online and/or mobile banking, less any holds on certain deposited checks pursuant to Regulation CC, and pending debit card transactions, plus any available Overdraft Protection. On accounts with Extended Coverage, the accessible balance for authorizing ATM and everyday debit card transactions includes the Overdraft Privilege limit. Independent Bank pays checks, ACH items, recurring debit card transactions, teller transactions, ATM and everyday debit card transactions based on the ledger balance, upon settlement of such transactions, less any holds on certain deposited checks pursuant to Regulation CC. The ledger balance is the balance of the account at the end of a business day, after all credits and debits have posted, plus any available Overdraft Coverage Options as applicable.
- Please be aware that none of the Overdraft Coverage options are reflected in your available balance when viewed through online banking, mobile banking or Independent Bank's ATMs.
- Independent Bank will reduce the accessible balance for authorized debit card transactions until the transactions settle (usually within two business days) or as permitted by payment system rules. In some cases, the reduction for the authorized debit card transaction may exceed the amount of the settled transaction. When the transaction settles, your account will update to reflect the accessible balance. If your account is overdrawn after the transaction settles, an Overdraft Fee(s) may be assessed.
- Except as described in this letter, Independent Bank may not pay items if your account does not contain available funds (including the Overdraft Privilege limit) to cover the item(s) and the amount of any fee(s).
- Independent Bank may suspend your debit card if your account is overdrawn more than thirty-two (32) consecutive calendar days. Debit cards on your account will remain suspended until you make sufficient deposits so that your account balance is positive.
- If your debit card is suspended, you will be unable to use your debit card for purchases or to access your account at the ATM, and if you use your debit card for recurring payments, e.g., utilities, you are responsible to make other arrangements for your recurring debit payment(s).
- Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Overdraft Privilege may be discontinued if you default on any loan (30 days or more past due, bankruptcy) or other obligation to us, your account becomes subject to any legal or administrative order, garnishment or levy, or if you fail to maintain this account in good standing by not bringing your account to a positive balance within 32 days for a minimum of one business day.

- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Deposit Account Agreement and Disclosures. The total (negative) balance, including all fees and charges, is due and payable upon demand.
- New accounts opened within the past 33 calendar days have an introductory limit of \$100.00. After 33 days, the Overdraft Privilege limit is \$1,000 for eligible business accounts and \$600 for eligible personal accounts.

If you have any questions about Overdraft Protection or Overdraft Privilege, please call us at 800.355.0641 or visit any branch.

Effective 5/24/2021

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Service	Cost
<b>Overdraft Protection Link to Another Deposit Account you have at Independent Bank<sup>1</sup></b>	<b>\$7 fee per day if transfer is needed</b>
<b>Overdraft Protection Line of Credit<sup>1, 2, 3</sup></b>	<b>Subject to interest &amp; annual fee</b>
<b>Overdraft Privilege</b>	<b>\$34 Overdraft Fee per item. Daily fees may apply. (\$6 daily fee begins after the 5<sup>th</sup> consecutive day overdrawn)</b>

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**Overdraft Privilege** allows you to overdraw your account up to the disclosed limit\* for a fee in order to pay a transaction. Even if you have overdraft protection, Overdraft Privilege is still available as secondary coverage if the other protection source is exhausted.

\*New accounts opened within the past 30 calendar days have an introductory limit of \$100.00. After 30 calendar days, the Overdraft Privilege limit is \$1,000 for eligible business accounts and \$600 for eligible personal accounts.

Transactions Covered with Overdraft Privilege	Standard Coverage (No action required)	Extended Coverage (Your consent required)*	If you would like to select Extended Coverage for future transactions:  <ul style="list-style-type: none"> <li>• Call us at 800.355.0641</li> <li>• Visit any branch</li> <li>• Complete the A-9 consent form and mail it to us at:                       PO Box 279                      Belding, MI 48809</li> </ul>
Checks	X	X	
ACH - Automatic Debits	X	X	
Recurring Debit Card Payments	X	X	
Teller Window Transactions	X	X	
ATM Transactions		X**	
Everyday Debit Card Transactions		X**	

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You can discontinue the Overdraft Privilege in its entirety by contacting us at 800.355.0641 or visiting any branch.

## What Else You Should Know

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- The \$34 Overdraft Fee is the same fee amount that is charged if a check is returned as unpaid. If multiple items overdraw your account on the same day, each item will be assessed an appropriate Overdraft Fee or a Return Fee of \$34. All fees and charges will be included as part of the Overdraft Privilege limit amount. Your account may become overdrawn in excess of the Overdraft Privilege limit amount as a result of a fee.
- If your account balance remains overdrawn for longer than 5 business days, including Saturday, we will charge your account a daily overdraft fee of \$6 for each of the consecutive business days the account remains overdrawn, beginning with day 6.
- For consumer accounts, there is a limit of 5 Overdraft Fees (\$170) per day we will charge. For business accounts, there is a limit of 10 Overdraft Fees (\$340) per day we will charge. We will not charge an Overdraft Fee if a transaction for \$5 or less overdraws your account. Overdraft fees could be assessed on a Saturday.
- We generally post items as they are received. Most items are posted immediately (real time) as they are presented. This includes credit/debit transactions performed at an Independent Bank branch and electronic transactions such as: ATM transactions, debit card transactions, mobile/online banking transactions, pre-authorized transactions and wires. Items presented via ACH (direct deposits or debits) are posted as received during multiple daily presentments. Checks transacted at other financial institutions will be posted as received. Funds authorizations and fee assessments (including overdraft fees and return item fees) are based on available balance at the time a transaction is posted. Holds on funds may also impact funds availability and fee assessments.
- Although under payment system rules, Independent Bank may be obligated to pay some unauthorized debit card transactions, Independent Bank will not authorize debit card or ATM transactions unless there are available funds (including Overdraft Coverage Options) to cover the transactions and any fee(s).
- Independent Bank authorizes and pays transactions using the available balance in your account. We may place a hold on deposited items in accordance with our Deposit Account Agreement and Disclosure, which will reduce the amount of your available balance. On accounts with Standard Coverage, the available balance for authorizing ATM and everyday debit card transactions is the current balance, less any holds on certain deposited items pursuant to Regulation CC, and pending debit card transactions, plus any available Overdraft Protection, but does NOT include the Overdraft Privilege limit. On accounts with Extended Coverage, the available balance for authorizing ATM and everyday debit card transactions is the current balance, less any holds on certain deposited items pursuant to Regulation CC, and pending debit card transactions, plus any available Overdraft Protection and the applicable Overdraft Privilege limit.
- Please be aware that the Overdraft Privilege amount is not included in your available balance provided through online banking, mobile banking, or Independent Bank's ATMs.
- Independent Bank will reduce the available balance for authorized debit card transactions until the transactions settle or as permitted by payments system rules. In some cases, the reduction for the authorized debit card transactions may exceed the amount of the settled transaction. When the transaction settles, your account will update to reflect the available balance. If your account is overdrawn after the transaction settles, an Overdraft Fee(s) may be assessed.
- Except as described in this letter, Independent Bank may not pay items if your account does not contain available funds (including the Overdraft Privilege limit) to cover the item(s) and the amount of any fee(s).
- Independent Bank may suspend your debit card if your account is overdrawn more than thirty (30) consecutive calendar days. Debit cards on your account will remain suspended until you make sufficient deposits so that your account balance is positive.
- If your debit card is suspended, you will be unable to use your debit card for purchases or to access your account at the ATM, and if you use your debit card for recurring payments, e.g., utilities, you are responsible to make other arrangements for your recurring debit payment(s).
- Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Overdraft Privilege may be discontinued if you default on any loan (30 days or more past due, bankruptcy) or other obligation to us, your account becomes subject to any legal or administrative order, garnishment or levy, or if you fail to maintain this account in good standing by not bringing your account to a positive balance within 30 calendar days for a minimum of one business day.
- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Deposit Account Agreement and Disclosures. The total (negative) balance, including all fees and charges, is due and payable upon demand.
- New accounts opened within the past 30 calendar days have an introductory limit of \$100.00. After 30 calendar days, the Overdraft Privilege limit is \$1,000 for eligible business accounts and \$600 for eligible personal accounts.

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