

FIRST COMMUNITY BANK OF TENNESSEE

OVERDRAFT PRIVILEGE POLICY

(A Discretionary Overdraft Service)

First Community Bank of Tennessee (the bank, “we”, “us”, or “our”) offers Overdraft Privilege Service. If your account qualifies for this service, we will consider, without obligation on our part, paying those items for which your account has insufficient or unavailable funds, instead of automatically returning those items unpaid. This document explains how this overdraft privilege service works.

Transactions that May Qualify for Overdraft Privilege Service

An overdraft occurs when you do not have enough money in your account to cover a transaction. Although there are many reasons why your account might become overdrawn, most overdrafts result from the following:

- a) You write a check, swipe your debit card or initiate an electronic funds transfer in an amount that exceeds the amount of funds available in your account.
- b) You deposit a check or other item into your account and the item is returned unpaid, which causes a negative balance in your account once your balance is reduced by the amount of the returned check.
- c) You have inadequate funds in your account when we assess a fee or service charge; or
- d) You initiate a transaction before funds deposited into your account are “available” or “finally paid” according to our Funds Availability Policy. For example, if you deposit a check into your account, the proceeds of that check may not be available to you for up to five days after you deposit the check. If you do not have sufficient funds in your account – independent of the check – to cover the transaction, you will incur an overdraft.

The Overdraft Privilege Service applies to a variety of transactions, including checks and other transactions made using your checking account number, automatic bill payments, ATM transactions and everyday debit card transactions; however, we will not include ATM and everyday debit card transactions within our overdraft privilege service without first receiving your affirmative consent to do so. Absent your affirmative consent, ATM and everyday debit card transactions generally will not be paid under our overdraft privilege service.

Participation on our Overdraft Privilege Service is not mandatory. You may opt out of the service at any time by notifying the bank. Furthermore, you may revoke your affirmative consent to have ATM and everyday debit card transactions considered for payment under our overdraft privilege service without removing other items from the service. Simply inform us of your preference.

As noted above, we retain full discretion to decline to pay any item under the overdraft privilege program. This means we can refuse to pay any overdraft for any reason. Even if we decide to pay an overdraft item, absent an agreement to the contrary, such payment does not create any duty to pay future overdrafts. If we do not authorize and pay an overdraft, your transaction will be declined and we may assess NSF fees on your account in accordance with your account agreement and the fee schedule in effect at the time of the overdraft.

Fees

For each overdraft we pay, we will charge the standard per item overdraft fee set forth in our fee schedule – currently \$30.00. In addition, we will charge your account \$1.00 per day “daily overdraft fee”. Typically, we will start charging the daily overdraft fee on the day your account is overdrawn and will continue to charge the daily overdraft fee for each subsequent consecutive calendar day your account remains overdrawn; there is otherwise no limit on the total amount of daily overdraft fees for each subsequent consecutive calendar day your account remains overdrawn. We will notify you by mail if we pay or return any insufficient or unavailable funds items on your account; however, we have no obligation to notify you before we pay or return any item. The amount of any overdrafts including our fees, are due and payable immediately or on demand.

Accounts Eligible for Overdraft Privilege Service

Overdraft Privilege Service is a discretionary service and is generally limited to a \$500 overdraft (negative) balance for eligible personal checking accounts; or a \$1,500 overdraft (negative) balance for eligible business checking accounts. Please note that both per item and per day overdraft fees count toward your overdraft privilege service limit. We limit the number of accounts eligible for overdraft privilege service to one per household or per taxpayer identification number. Further, overdraft privilege service is usually extended only to accounts in good standing. An account in good standing exhibits, but is not limited to, the following characteristics:

- a) The account has been open for at least (sixty) 60 days;
- b) The account has deposits totaling at least \$500 or more within each 30 day period
- c) The account has a positive balance at least once every (thirty) 30 days
- d) The account demonstrates consistent deposit activity
- e) The account owner is current on all loan obligations with us; and
- f) The account is not subject to any legal or administrative order or levy, such as bankruptcy or tax lien.

We offer other overdraft protection services in addition to overdraft privilege service. These include an overdraft line of credit and overdraft protection linked to another account of yours with us, such as a savings account. If you apply and are approved for these optional services, you may save money on the total fees you pay us for overdraft protection services.

Limitations

Available only for eligible checking accounts that are maintained in good standing as defined above. Savings Type Accounts, Money Market Accounts, Public Fund / Charitable Organization Accounts, Student Minor Accounts, and Other Minor Accounts (not of legal age) are not eligible.

Eligible Account Types

The account types that are eligible for the Overdraft Privilege Service are (A) Kasasa Cash, Kasasa Cash Back, Kasasa Tunes, Senior Classic Accounts; (B) Business Checking

Overdrafts should not be used to pay ordinary or routine expenses and you should not rely on overdrafts as a means to cover these expenses. If at any time you feel you need help with your financial obligations, please contact one of our service representatives at 931-684-5800