

**MEMORYBANK**

# Overdraft Honor Questions & Answers

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***What is Overdraft Honor?***

Overdraft Honor is Memory Bank's discretionary overdraft program. When you open a new account, provided your account is in good standing as described in the Overdraft Honor Rules and Restrictions on the other side of this document, you will receive a \$100 fixed Overdraft Honor Limit for the first 30 calendar days. After the first 30 calendar days, provided your account remains in good standing, your Overdraft Honor Limit will be reviewed each business day and may vary between \$0 and \$2,000 daily, based on your deposit behavior and account history. If at any time your account is no longer in good standing, your Overdraft Honor Limit will be reduced to \$0.

If a check, ATM withdrawal, debit card transaction including point-of-sale transactions or preauthorized automatic debit (an "Item") is processed by us and your account does not have sufficient funds to pay an Item, we are under no obligation to pay the Item. However, in an effort to provide excellent service, under the Overdraft Honor Program, our policy is to pay those Items when there are not sufficient available funds, up to the Overdraft Honor Limit on accounts in good standing (applicable to ATM and everyday check card transactions only if you have provided authorization to pay those items as discussed below). Please see the Overdraft Honor Rules and Restrictions on the next page of this document for more information. We will assess our Overdraft Fee of \$36 per Item. The \$36 per Item fee will be assessed for each Item paid up to a maximum of 5 Items and \$36 per Item for each Item returned up to a maximum of 10 Items per day.

***How will Overdraft Honor benefit me?***

Our Overdraft Honor Rules and Restrictions explain how we make overdraft payment decisions and will help you manage your finances responsibly. In the event that something unexpected happens such that your account does not have available funds to cover your Items, our discretionary payment of Items may help you avoid the embarrassment and possible additional third party costs associated with the inconvenience of returned Items.

***Will my ATM and everyday debit card transactions be covered by Overdraft Honor?***

There is no additional charge to activate this service for your ATM and everyday debit card transactions, but we must have your authorization on file. Please call us at 1 (877) 757-3400 or login to your online banking account at [www.mymemorybank.com](http://www.mymemorybank.com) to locate this form under the Manage My Memory Bank section to activate this service for your ATM and everyday debit card transactions. If we do not have an authorization on file to pay your ATM and everyday debit card transactions, the Items will not be covered.

***What do I have to do to use Overdraft Honor?***

If you overdraw your account, at our discretion we may cover your overdraft Items up to your Overdraft Honor Limit. This payment will require no action on your part. However, you should not become dependent on this program to meet long-term cash needs. We recommend that you balance and reconcile your account in order to reduce the likelihood of creating an overdraft Item. You will be responsible for payment of any outstanding negative account balance resulting from the use of Overdraft Honor.

***What if I overdraw more than the applicable limit?***

In most instances, any Item which exceeds the variable Overdraft Honor Limit will be returned and a \$36 returned Item fee will be assessed.

***How quickly do I have to deposit funds to cover my negative account balance?***

Our expectation is that you will deposit funds immediately to cover a negative account balance. If your account remains negative for more than 30 days, we will temporarily suspend your Overdraft Honor availability until your negative account balance has been corrected. If your balance remains negative for an extended period of time or in our judgment your overdraft activity becomes excessive, we may permanently suspend your Overdraft Honor privileges. If an account is overdrawn in excess of forty-five (45) days the Bank will review it to assess whether it should be charged-off. All charged-off accounts are reviewed by the Bank's Collections Department to determine further action. Accounts charged-off are reported to ChexSystems.

***Do I have to apply for Overdraft Honor?***

No. Overdraft Honor is a program that applies to checking accounts that meet the requirements of our Overdraft Honor Rules and Restrictions. If the requirements stated in the Overdraft Honor Rules and Restrictions are met, your account will be enrolled into the Overdraft Honor Program. If you would prefer that your account not be covered by Overdraft Honor, please submit a written request to Memory Bank at the address listed in the Overdraft Honor Rules and Restrictions by visiting any of our banking centers or by calling us at 1 (877) 757-3400. Please know that Overdraft and Returned Item fees of \$36 apply to your account even if you request to have Overdraft Honor privileges removed from your account. In addition, you may be subject to additional fees charged by your vendor/ merchant for returned Items.

***How can I be alerted if my account has a low balance?***

Memory Bank employs services to alert you when your account balance is at risk of generating a fee for nonsufficient funds or overdrafts. The two most popular methods to retrieve account balance information:

- E-mail Alerts - you can sign up for low balance e-mail alerts through your online banking account at [www.mymemorybank.com](http://www.mymemorybank.com). On this site, you set the amount at which you want to be notified of a low balance. When your account reaches the amount you set, an e-mail notification will be sent to the email address you have provided.
- Text Alerts - you can sign up for Mobile Banking text message alerts at [www.mymemorybank.com](http://www.mymemorybank.com). This service will alert you via text message at the mobile number you have provided when your checking account has reached a pre-selected low balance dollar amount. Standard message and data rates may apply from your wireless carrier.

*Memory Bank is a division of Republic Bank & Trust Company. Member FDIC.*

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# MEMORY BANK OVERDRAFT RULES AND RESTRICTIONS

These Rules and Restrictions apply to any deposit account provided by Memory Bank, a division of Republic Bank & Trust Company (hereafter referred to as "Bank", "we", "us" or "our"). The terms "you" and "your" refer to account holders. Under this program, references to your "Overdraft Honor Limit" involves instances where we may pay and permit transactions for Items, including checks, ATM withdrawals, debit card transactions, preauthorized automatic debits, internet banking transactions, telephone-initiated transfers or other electronic transfers ("Items") up to the limit over your available funds.

Overdraft Honor is not a line of credit. It is a discretionary program and not a contractual right or obligation guaranteed to you. Overdraft Honor is not available for Personal Trusts or accounts with Representative Payees. Your account must also be in good standing which may include, but is not limited to, any or all of the following criteria, subject to change without notice:

- You are not in default on any loan or other obligation to us.
- Your account is not subject to any legal or administrative order or levy.
- Your account has not been included in a bankruptcy
- Your account is not overdrawn more than 30 days.

When you open a new account, provided your account is in good standing as described above, you will receive a \$100 fixed Overdraft Honor Limit for the first 30 calendar days. After the first 30 calendar days, provided your account remains in good standing, your Overdraft Honor Limit will be reviewed each business day and may vary between \$0 and \$2,000 daily, based on your deposit behavior and account history. If at any time, your account is no longer in good standing your Overdraft Honor Limit will be reduced to \$0.

We have adopted this discretionary Overdraft Honor Program to provide you with an efficient process for managing overdrafts. We may pay and permit transactions for Items when you do not have sufficient available funds, up to your available Overdraft Honor Limit. We will normally pay overdraft items, including any applicable fees, not to exceed 5 per Item fees, up to the Overdraft Honor Limit, when your account meets the good standing requirements listed above.

You must provide us with your affirmative consent before we will pay ATM and one-time debit card transactions during instances where you do not have sufficient funds in your account to cover them. An Overdraft Fee of \$36 per Item may be assessed for each Item that is submitted for which you do not have sufficient available funds in your account to cover the Item. The \$36 per Item fee may be assessed for up to the first 5 Items that we pay each day under the Overdraft Honor program and for up to the first 10 Items that are returned unpaid each day. If Items are presented to your account that result in an overdrawn account balance of less than \$4.00, the Bank will not assess a \$36 per Item fee for those Items.

To determine your account balance, it is our practice to process account activity each evening for Items received during that business day. All deposits are processed first followed by the processing of all debits each business day. Debits are processed in batches and in the following order:

1. First, ACH Items such as preauthorized automatic debits and checks converted to ACH Items are processed in the order of lowest to highest dollar amount.
2. Next, checks without a check number are processed in the order of lowest to highest dollar amount followed by checks processed in check number order beginning with the lowest check number to the highest check number.
3. Next, transactions resulting from the use of your debit or ATM card including ATM withdrawals and point-of-sale transactions and internal account transfers are batched together and processed in the order of lowest to highest dollar amount.
4. Finally, all Bank fees and service charges will be assessed. Consult your TISA Disclosure for related fee schedule.

If your Overdraft Honor Limit is not sufficient to pay an Item, smaller subsequent Items may be paid from lowest to highest in the transactional order outlined above from the available Overdraft Honor Limit. Your account balance is reduced equal to the amount of each Item processed. Other than the exceptions listed above, an Overdraft Fee will be charged for each Item if the amount of the Item is greater than the account balance at the time the Item is processed. If you have provided us with your affirmative consent to cover ATM and one-time debit card transactions, and if we cover a transaction where you did not have sufficient funds to cover the Item, then you will be subject to the insufficient funds/overdraft fee. Overdraft Fees and Returned Item Fees will reduce the available balance of an account which will impact the availability of your Overdraft Honor Limit. In the event the Overdraft Honor Limit is exceeded, the Bank may return Items at our discretion to maintain the account balance within the Overdraft Honor Limit. All Items processed up to 5 per day are subject to an Overdraft Fee if not paid with available funds. All Items returned up to 10 per day for non-sufficient funds are subject to a \$36 Returned Item Fee. Multiple \$36 charges for overdraft and non-sufficient funds may be assessed for a business day when multiple Items are paid and/or returned in accordance with these Rules and Restrictions. For example, if in one day you make the following deposits and the following Items are due for payment and you have provided us with your affirmative consent to cover ATM and one-time debit card transactions, under the Overdraft Honor Program, your account would be adjusted as follows:

Transaction		Balance after transaction
Deposit	\$100.00	\$200.00
ACH debit	\$100.00	\$100.00
Check	\$250.00	- \$150.00
ATM debit	\$ 80.00	- \$230.00

The above transaction sequence would result in Overdraft Fees totaling \$72 (\$36 per Item).

If a transaction is presented for payment on your account and an overdraft occurs, pursuant to your Account Rules you agree to pay us the amount of any overdraft and applicable fees immediately, without notice or demand from us. Each person on your account is jointly and severally responsible under the Account Rules for paying any amounts due us.

It is our policy to operate in accordance with all applicable regulatory safety and soundness standards. Your Account Rules sets out your duties, obligations and rights with regard to your account. Your Account Rules shall control in the event of any conflict between this Overdraft Honor Rules and Restrictions and your Account Rules. If an account is overdrawn in excess of forty-five (45) days the Bank will review it to assess whether it should be charged-off. All charged-off accounts are reviewed by the Bank's Collections Department to determine further action. Accounts charged off are reported to ChexSystems.

You can call us toll free at 1 (877) 757-3400 to obtain your Overdraft Honor Limit. If you would like to have your account removed from the Overdraft Honor Program you may do so, but please understand that all accounts are subject to Overdraft Fees. If your account is not part of the Overdraft Honor Program it is our policy to charge a Returned Item Fee of \$36 per Item, and return all returnable Items presented for payment if funds are not available.

To cancel Overdraft Honor or to revoke your affirmative consent to cover ATM and one-time debit card transactions please visit one of our banking centers or submit your request in writing to:

Memory Bank  
Attn: Overdraft Honor Department  
601 West Market Street  
Louisville, KY 40202

Or call us at 1 (877) 757-3400.