

SECTION I: INITIAL STATEMENT BY BANK OF AMERICA PURSUANT TO SECTION E.1.b OF THE BUREAU'S POLICY ON NO-ACTION LETTERS

Bank of America, N.A. (“Bank of America”) hereby submits this application for a No-Action Letter (“NAL”) based on an existing NAL Template approved by the Consumer Financial Protection Bureau (“Bureau”). On May 22, 2020, the Bureau granted the Bank Policy Institute’s (“BPI”) application (the “BPI Application”) for a NAL Template (the “BPI NAL Template”).¹ BPI sought a NAL Template that could serve as the basis for NAL applications by BPI members and other deposit-taking institutions that intend to offer certain small-dollar credit products. Bank of America, in its capacity as a deposit-taking institution, hereby applies for such a NAL.

Section II of this application provides a description of the structure and features of Bank of America’s small-dollar credit product, including the information required under the *Information about Features and Practices* section of the BPI NAL Template. Section III of this application includes the certifications set forth in the *Guardrail Certifications* section of the BPI NAL Template.

SECTION II: BANK OF AMERICA’S APPLICATION FOR A NO-ACTION LETTER PURSUANT TO SECTIONS A AND E.1.b OF THE BUREAU’S POLICY ON NO-ACTION LETTERS

1. The identity of the entity applying for the No-Action Letter

Bank of America submits this application for a NAL (“Application”)² under sections A and E.1.b of the Bureau’s Policy on No-Action Letters (“Policy”) and based on the BPI NAL Template.³ Bank of America submits this Application because it strongly agrees with BPI’s beliefs that (i) consumers would benefit from the re-entry of deposit institutions such as Bank of America into the small-dollar product space⁴; and (ii) the additional regulatory certainty provided by a NAL would facilitate Bank of America’s ability to issue new and innovative small-dollar credit products.

2. A description of the consumer financial product or service in question, including (a) how the product or service functions; (b) the terms on which it will be offered; and (c) the manner in which it is offered or provided, including any consumer disclosures.

Bank of America has designed a small-dollar credit product, currently referred to as “Balance Assist,” the structure and features of which would be consistent with each of the guardrails set forth in the BPI NAL Template (“Product” or “Balance Assist”).

¹ https://files.consumerfinance.gov/f/documents/cfpb_bpi_no-action-letter.pdf.

² The Application includes the instant document as well as Appendix A (Product Terms and Conditions) and Appendix B (Digital Marketing and Application Materials). Many of the features of the Product (defined in section II.2) detailed in the instant document are also included or illustrated in Appendices A and B. Although Appendix A includes terms setting forth remedies upon an event of default, Bank of America is not seeking to include its debt collection practices in connection with Balance Assist within the scope of the requested No-Action Letter.

³ We note that, as an insured depository institution with total assets of more than \$10,000,000,000, Bank of America is an eligible “DI Applicant” for purposes of the BPI NAL Template.

⁴ See also Interagency Lending Principles for Offering Responsible Small-Dollar Loans, available at <https://www.occ.gov/news-issuances/news-releases/2020/nr-ia-2020-65a.pdf> in which the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of the Comptroller of the Currency state they are issuing the principles to encourage supervised banks to offer responsible small-dollar loans and recognize the important role of such loans.

Balance Assist was designed for Bank of America checking account customers with the goals of (i) providing an affordable banking solution for short term liquidity needs; (ii) providing a streamlined digital only small-dollar credit product; and (iii) expanding consumer access to credit. Consistent with the way Bank of America has developed other consumer products, Balance Assist was developed with input from consumer advocates, other third parties, and our National Community Advisory Council (“Council”). The Council, in place for more than a decade, is a forum for senior leaders from social justice, consumer advocacy, community development, environmental, and research organizations to provide external perspectives on our business policies, practices, and products, as well as the societal challenges faced by our customers. Our Council members provide valuable insights that continue to enhance the fairness and transparency of the products and services we provide to our customers.

Balance Assist aligns with Bank of America’s vision of delivering products and services that improve its customer’s financial lives. The Product would complement Bank of America’s award-winning mobile banking, spending and budgeting tools, and financial education program Better Money Habits⁵ – all of which can help customers better manage their money and improve their financial know-how so they can achieve their goals.

Product Structure: Dollar Amount, Annual Percentage Rates (“APR”), Fees, and Collateral

The Product will be structured as a fixed term, amortizing small-dollar installment loan which the customer will pay back in fixed minimum payments over the term of the loan, which will be three months. The Product will be offered in increments of \$100 up to \$500. The customer will be charged a \$5 flat fee regardless of amount borrowed (“Product Fee”). This Product Fee will be clearly disclosed to the customer, and will be included when calculating the Product’s APR.⁶ Other than the Product Fee, there will be no other fees charged on the Product. The APR of the Product across the anticipated term of the loan will in no case exceed 36%.

The customer will not be required to provide collateral or other security to obtain the Product. Consistent with footnote 8 of the BPI NAL Template, Bank of America will maintain a right to setoff consistent with applicable law and regulation and the Product terms and conditions (“Product Terms”).⁷

By offering a small-dollar credit option at an APR below 36% with no late payment or prepayment penalty fees, Bank of America would significantly improve the market options available to customers facing short term liquidity needs as, according to sources cited in the BPI Application, many payday loans currently available carry APRs of as much as 300% to 500%.

Eligibility and Underwriting

The Product will be offered and provided only to consumers who have a Bank of America checking account (excluding Bank of America’s Advantage SafeBalance account).⁸ The customer must

⁵ Better Money Habits is an easy-to-understand resource available on bettermoneyhabits.com in English and Spanish. It was developed in partnership with nonprofit Khan Academy, a leader in online education, to provide individuals and families tools, videos, articles and infographics to help build financial know-how to achieve their goals.

⁶ The APR calculation is based on the borrowed amount and the Product fee. Example: a \$300 loan with a \$5 Product fee along with a repayment term of three months will result in a 9.97% APR.

⁷ See Appendix A for additional information.

⁸ The SafeBalance product launched nationally in May 2014 and was designed to help customers spend only the money they have available. Transactions are declined and returned unpaid when there are not sufficient funds available to cover the transaction. No overdraft or non-sufficient fees are charged on this account.

have a Bank of America checking account for a set period of time with inflows exceeding a pre-determined threshold in order to be eligible for the Product. Bank of America's underwriting and eligibility criteria for the Product will consider the customer's transaction activity in the customer's Bank of America deposit account(s) (e.g., amount of direct deposit and/or inflows, length of time customer has held the Bank of America deposit account(s)). Additionally, Bank of America will obtain a full credit bureau report on the consumer and will consider external factors (e.g., delinquencies, bankruptcies, foreclosures, repossessions) in its underwriting. Bank of America will also obtain the consumer's FICO credit score, which must meet a minimum threshold. The digital nature of the product will generally allow for customers to receive an application decision the same day.⁹

Repayment Term and Structure

The Product's repayment structure will be clearly disclosed. The customer will repay the amount advanced plus the Product Fee in three substantially equal fixed minimum amount monthly installment payments.¹⁰ The repayment term will be three months, with the first payment due generally 30 days after the loan funds are deposited in the consumer's Bank of America deposit account. The payments will be amortized on a straight-line basis across more than one payment.

The repayment amounts and payment schedule ("Repayment Information") will be provided to the customer in several ways. First, the Repayment Information will be presented to the customer in the digital application flow before they accept the approved Balance Assist. Second, the Repayment Information will be populated into the Product Terms presented to and accepted by the customer. Third, information including first payment amount and due date will be provided to the customer in an email. Finally, the customer can access the Repayment Information in mobile and online banking at any time.

The Product design includes features to help customers make payments on time. When applying for the Product, customers will be given the opportunity to set up automatic payments from a Bank of America deposit account. Auto-payments would not be required, but would be offered as a feature to make scheduling payments easier. Additionally, email alerts will be sent to customers when payments are coming due or are past due.

If the customer attempts to make a payment on the Product from the customer's Bank of America checking or savings account, but the customer does not have sufficient funds in that account (or in any applicable Overdraft Protection plan¹¹) to make the payment, Bank of America will waive the Overdraft Item Fee or NSF: Returned Item Fee that is incurred for the payment or attempted payment of the Product.¹² The customer will remain responsible for making the payment. This will help towards limiting a customer's incremental indebtedness as a result of payments to this Product.

⁹ Exceptions may apply, such as customers who have placed a "freeze" on their credit file.

¹⁰ The installment payments may vary by \$0.01 depending on the total loan amount.

¹¹ Overdraft Protection is an optional service through which customers can link their eligible Bank of America checking account to another Bank of America deposit, credit card, or line of credit account to help them avoid declined or returned transactions and overdrafts. If a linked Overdraft Protection plan is utilized to cover a transaction, including a payment on the Product, transfer fees may apply. Overdraft Protection transfers from a line of credit or credit card may be subject to additional fees and accrue interest.

¹² In the event such an Overdraft Item Fee or NSF: Returned Item Fee is not automatically waived, the fee will be refunded to the impacted deposit account by Bank of America generally within 2 complete deposit account statement cycles.

There will be no late payment fees or prepayment penalty associated with the Product. By not imposing any prepayment penalty fees, the Product design encourages repayment. As set forth in the Product Terms, customers who prepay will not be entitled to a refund of a part of the Product Fee.

Rollovers and Re-borrowing Risk Mitigation

Rollovers will be prohibited. In addition, Bank of America will mitigate re-borrowing risk by requiring the Balance Assist loan to be fully repaid before another Balance Assist loan can be obtained. Additionally, Bank of America will impose a cooling off period from the date of closure of one Balance Assist loan to the approval for another Balance Assist loan.¹³ These re-borrowing restrictions will be communicated to customers in the Product overview page, and will be presented to and accepted by the customers as part of the Product Terms.

Delivery Channels, Marketing and Servicing

The Product will only be available digitally. This will allow for quicker access to small-dollar credit for consumers who rely on short-term small-dollar credit products to meet their short-term liquidity needs and to pay for larger, unanticipated expenses. The Product will also expand access to credit for all consumers, including the underbanked population, as customers will not be required to visit financial centers. The digital-only nature of the Product will be a significant benefit for those customers who may have difficulty accessing traditional banking channels or who have a greater need for small-dollar credit. Customers who visit a Bank of America financial center or reach a Bank of America contact center will be guided to apply for the Product digitally.

The Product will be marketed through Bank of America's various digital channels.¹⁴ It will be featured on the Bank of America checking product online research pages in both the mobile and online platforms. Information about the Product may be presented to customers during their authenticated online experience.

The Product will be serviced by Bank of America, and not a third party servicer.

Application Process/Disbursement of Funds

A customer can apply for the Product via mobile or online banking through a digitally optimized and streamlined application which will be available in English and Spanish.¹⁵ The application will adhere to Web Content Accessibility Guidelines ("WCAG"). Because the customer accesses the Product application after being authenticated on the Bank of America mobile or online platform, the information the customer must enter to apply for the product will be limited.

In the Product application flow, the customer will: (i) provide income and housing payment information; (ii) authorize Bank of America to obtain the customer's credit report; (iii) select the loan amount (up to a maximum amount determined by Bank of America pursuant to its underwriting criteria)¹⁶; (iv) select the Bank of America deposit account that will receive the loan funds ("Receiving

¹³ The imposed cooling off period will be 30 days.

¹⁴ See Appendix B for additional information.

¹⁵ See Appendix B for additional information.

¹⁶ For example, the customer may qualify for lower than the maximum loan amount of \$500.

Account")¹⁷; (v) learn how the Receiving Account will be set to the "Decline All" overdraft setting (as further described below in the "Other Features and/or Practices" section); (vi) be presented with and required to accept the Product Terms; and (vii) be presented with the option to set up automatic payments.

Product Terms will be presented digitally and optimized for readability in the online and mobile channels. The customer will have the ability to save and/or print the Product Terms, or access them again at any time in the future.

Customers generally will receive a same day application decision.¹⁸ Once the customer is approved for the Product and accepts the Product Terms, the amount borrowed will be deposited to the Bank of America deposit account selected by the customer in the application flow.

Credit Reporting

Customers who obtain the Product will have account status, payment, and non-payment history reported to credit reporting agencies, which will provide customers with the opportunity to build their credit scores through on-time repayment.

Other Features and/or Practices

To help customers avoid becoming over-extended and reduce default risk, the customer's overdraft setting on the Receiving Account will be set to "Decline All" as a condition to obtaining the Product. With this overdraft setting, if the customer's Receiving Account lacks sufficient available funds in their account (or in any applicable Overdraft Protection plan) to cover a transaction, the transaction will be returned unpaid and an NSF: Returned Item Fee may be charged.¹⁹ Once the Product is paid in full, the customer can request to have the overdraft setting on the Receiving Account changed to the "Standard Setting" to allow for overdrafts at the Bank's discretion; this change will not occur automatically. These conditions will be communicated to and accepted by the customer in the Product application flow and the Product Terms. A reminder will also be provided to the customer as part of an email communication after the Product is paid in full.

3. An explanation of the potential consumer benefits associated with the product or service.

Bank of America notes that the explanation of the potential consumer benefits of the Product for purposes of this Application is substantially identical to the explanation provided on this issue in the BPI Application. Bank of America hereby incorporates that explanation by reference.

As noted in this Application, the Product was designed consistent with the guardrails set forth in the BPI Application, and includes the additional specific features set forth above. Taken together, the guardrail features and additional features of the Product are intended to provide the customer benefits detailed in the BPI Application.

¹⁷ Loan funds must be deposited into a Bank of America account owned by the customer. Accounts eligible as "Receiving Accounts" will be presented to the customer in the application flow for customer selection. Bank of America Advantage SafeBalance accounts will not be eligible as Receiving Accounts.

¹⁸ Exceptions may apply, such as customers who have placed a "freeze" on their credit file.

¹⁹ As described above, an Overdraft Item Fee or NSF: Returned Item Fee incurred specifically for the payment or attempted payment of the Product will be waived or refunded.

Bank of America has a clear objective to make the financial lives of the customers we serve better. We are committed to ensuring our policies, practices, programs, and products, including Balance Assist, align with this purpose. When individuals feel financially secure and are able to achieve their financial goals, communities are made stronger and we all benefit.

4. An explanation of the potential consumer risks associated with the product or service, and how the applicant intends to mitigate such risks.

Bank of America notes that the explanation of the potential consumer risks posed by the Product for purposes of this Application, and how those risks are managed and minimized, is substantially identical to the explanation provided on this issue in the BPI Application. Bank of America hereby incorporates that explanation by reference.

Furthermore, Bank of America notes that as set forth in the Product description herein the Product design seeks to limit the three potential risks (Cycle of Debt, High Cost, and Risk of Default) identified in the BPI Application in a number of specific ways as detailed in the Repayment and Payment Structure; Re-borrowing Risk Mitigation; Eligibility and Underwriting; and Other Features and/or Practices sections of this Application.

5. An identification of the statutory and/or regulatory provisions as to which the applicant seeks a No-Action Letter and an explanation of why a No-Action Letter is needed, such as uncertainty or ambiguity regarding the application of the identified statutory and/or regulatory provisions to the product or service in question.

Bank of America notes that an identification of the statutory and/or regulatory provisions under which Bank of America submits this Application and an explanation of why a NAL is needed are provided in the BPI Application. Bank of America hereby incorporates that explanation by reference.

Consistent with the BPI NAL Template, Bank of America is seeking a NAL stating that unless or until terminated by the Bureau (as described in section C.7 of the Policy), the Bureau will not make supervisory findings or bring a supervisory or enforcement action against Bank of America under the Bureau's authority to prohibit unfair, deceptive, or abusive acts or practices predicated on Bank of America's offering or providing the described aspects of the Product set forth in the Application, i.e., the product features and practices detailed in section II.2 above and section III below; and the information provided to consumers as set forth in Appendix A and Appendix B.

6. If the applicant wishes to request confidential treatment under the Freedom of Information Act (FOIA), the Bureau's rule on Disclosure of Records and Information (Disclosure Rule), or other applicable law, this request and the basis therefore should be in a separate letter and submitted with the application. The applicant should specifically identify the information for which confidential treatment is requested, and may reference the Bureau's intentions regarding confidentiality under section G of the Policy.

Confidential treatment has been requested by separate letter.

7. If the applicant wishes the Bureau to coordinate with other regulators, the applicant should identify those regulators, including but not limited to those the applicant has contacted about offering or providing the product or service in question

Bank of America wishes the Bureau to coordinate with the Office of the Comptroller of the Currency.

SECTION III: GUARDRAIL CERTIFICATIONS PURSUANT TO THE BPI NAL TEMPLATE

Bank of America hereby certifies in support of its Application for a NAL that the Balance Assist Product will meet the guardrail certifications outlined in the BPI NAL Template and set forth below.

1. Status

Bank of America is an insured depository institution with total assets greater than \$10,000,000,000.

2. Eligibility

Bank of America's Product will be offered and provided only to customers who hold a deposit account with Bank of America.

3. Product Structure

Bank of America's Product will be structured as a fixed-term, amortizing small-dollar installment loan, which the customer will pay back in fixed minimum payment amounts over the term of the loan.

4. Dollar Amount

Bank of America's Product will not exceed \$2,500.²⁰

5. Repayment Term and Structure

Bank of America's Product will be structured as an installment loan, with a repayment term that is more than 45 days and less than one year.²¹ The payments will be amortized on a straight-line basis across more than one payment.

6. No Balloon Payments

None of the required payments²² under Bank of America's Product will be more than twice as large as any other required payment.

²⁰ The Product will be offered in increments of \$100 up to \$500.

²¹ The Product repayment term will be 3 months.

²² "Required payments" refers only to payments under the Product's payment schedule, and not to payments which are past due. It is possible that a payment which includes past due amounts could be more than twice as large as a required payment, solely because the customer had not paid the past due amounts according to the payment schedule.

7. Rollovers

Rollovers (i.e., the extension or renewal of a Balance Assist loan on which a scheduled payment has not been made for an additional fee) will be prohibited. Nor would a borrower be eligible to receive a new loan to repay an outstanding balance associated with a prior loan. Furthermore, a borrower with an existing loan is not eligible to receive a new loan until the existing loan is fully repaid.

8. Underwriting

Underwriting for Bank of America's Product will include the consumer's transaction activity in their deposit accounts with Bank of America, also known as "cash flow" underwriting.

9. Collateral

Borrowers will not be required to provide collateral or any other security to take out Bank of America's Product.²³

10. Costs and fees

No late payment fees or prepayment penalties will be charged with respect to Bank of America's Product.

11. Disbursement

Funds will be disbursed into the borrower's deposit account with Bank America within three to five business days after the borrower is approved for the Product.²⁴

12. Disclosures

Consumer disclosures and marketing materials associated with Bank of America's Product will be designed to meet the requirements of all applicable state and federal consumer financial protection and other laws, and, where appropriate, will be shortened and modified for consumers' ease of use and readability for online and mobile channels.

13. Servicing

Bank of America's Product will be serviced by Bank of America, not a third party servicer.

²³ Bank of America will maintain the right to offset funds in the customer's existing deposit accounts, to the extent authorized by applicable laws and regulations.

²⁴ Once the customer is approved for the Product and accepts the Product Terms, the amount borrowed will be deposited to the Bank of America deposit account selected by the customer in the application flow.

Appendix A: Product Terms and Conditions

Balance Assist Loan Agreement

BORROWER:	LENDER: Bank of America, N.A.	
<i>(Throughout the remainder of this Agreement the borrower listed above is referred to as "you," or your")</i>		<i>(Throughout the remainder of this Agreement the lender listed above is referred to as "we," "us," or "our")</i>
AGREEMENT DATE: 07/16/2020	LAST PAYMENT DUE DATE: 10/16/2020	LOAN NUMBER: 64008017014825

Payment Terms. For value received, you promise to pay to us the principal amount of \$300.00, plus an additional finance charge in the amount of \$5.00. You agree to pay according to the payment schedule shown in the TRUTH IN LENDING DISCLOSURES below. You also agree to the terms and conditions of this Bank of America Balance Assist Loan Agreement ("Agreement") governing your Balance Assist Loan ("Loan").

TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS
The cost of your credit as a yearly rate. 9.97%	The dollar amount the credit will cost you. \$5.00	The amount of credit provided to you or on your behalf. \$300.00	The amount you will have paid when you have made all scheduled payments. \$305.00

Your Payment Schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due
3	\$101.68	Monthly beginning 08/16/2020

Prepayment Charge. If you pay off your Loan early, you will not have to pay a penalty; and will not be entitled to a refund of a part of the finance charge.

Additional Terms. You should refer to the following terms and conditions of this Agreement for information about nonpayment, default, and our right to accelerate amounts due under this Agreement.

Itemization of the Amount Financed of \$300.00

\$300.00	Amount credited to your Bank of America account # 00000000000254650988
\$5.00	Finance Charges (fees) included in Total of Payments
\$305.00	Total of Payments

Payments. Payments are due on or before the due date. We will apply each payment we receive to the finance charges and unpaid principal in any order we choose.

If for any reason, one or more payments result in total payments on your Loan exceeding the Total of Payments set forth above (including both principal amount and finance charges), we reserve the right to reject such payments either in part or in full, and return the excess funds to you.

Automatic Payment Authorization. You authorize us to make your scheduled payments by automatically withdrawing such amounts from your designated Bank of America, N.A. checking account # 000000000000254650988 on each payment due date, or immediately after the scheduled payment due date, if the payment due date is on a Saturday, Sunday or legal holiday. If you set up automatic payments, each automatic payment will occur on the due date, as long as there are sufficient funds to cover the payment. If there are not enough funds to cover the payment on the due date, it will be cancelled and you are still required to make the payment. If you make an additional payment before the scheduled automatic payment date, the automatic payment will still occur on the due date, unless you cancel it in Online Banking. You agree that we may change or delete a scheduled payment if the amount you authorized exceeds the amount you owe. To stop an upcoming automatic payment, you can follow the directions in Online Banking or in our mobile app, or by contacting us at the telephone number listed on the front of your checking account statement at least three (3) business days prior to the next scheduled payment due date. You understand and acknowledge that you are not required to authorize automatic payments in order to obtain your Loan from us, but are voluntarily providing your authorization.

Use of Electronic Records and Signatures. This is intended to be a digital-only Loan, which means all disclosures, documents, account information or certain other information in connection with this Loan, or that you sign or agree to at our request ("Communications") may be presented, signed, delivered, and maintained in electronic form only. Your consent to our [Online Banking Electronic Communications Disclosure](#) governs your consent to receive these Communications electronically. We reserve the right, at our discretion, to send you Communications by mail. At the time Communications are presented, please print or download and save a copy of the Communication to your device. You may, upon request, obtain a paper copy of this Agreement within twenty-five (25) months of application by contacting the appropriate customer service unit listed on the front of your checking account statement or visiting the "Contact Us" link on the Bank of America website.

Notices and Other Communications. We may provide Communications to you in English, even though we may have given you account opening documents and disclosures in a language other than English. If you have questions about any of them or difficulty reading English, please contact us at the telephone number listed on the front of your checking account statement.

Military Lending Act Disclosure. The following disclosure applies to persons covered by the Military Lending Act - other governmental programs and laws may also govern or apply to this transaction but are not described in the following disclosure. The following disclosure is required by the Military Lending Act.

Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: the costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).

Please call our dedicated Military Lending Act toll free number at 833.415.0072 with any questions or concerns (704.264.2615 for international collect calls).

Overdraft Setting, Overdraft Protection Service, and Fees. As a condition of entering into this Agreement, you agree to have the overdraft setting for the Bank of America, N.A. checking account you selected to receive the proceeds of this Loan ("your checking account") set to the Decline All Overdraft Setting. This setting is defined and described in the Deposit Agreement and Disclosures governing your checking account ("Deposit Agreement"). As such, if you do not have sufficient available funds in your checking account (or any applicable Overdraft Protection plan) to cover a transaction, the transaction will be returned unpaid and an NSF: Returned Item Fee may be charged. As set forth in the Payment Information section below, exceptions to the NSF: Returned Item Fee may apply.

If a transfer is made from a linked account as part of an Overdraft Protection plan to cover a transaction, transfer fees may apply. Overdraft Protection transfers from a line of credit or credit card may be subject to additional fees and accrue interest. See the Deposit Agreement for related fees and terms.

The Decline All Overdraft Setting will remain in place on your checking account for as long as this Loan remains in effect. Once the Loan is paid in full, you may contact us - at the telephone number listed on the front of your checking account statement or by visiting your local financial center - to request a change to the overdraft setting on your checking account to the Standard Overdraft Setting. Otherwise, your checking account will remain in the Decline All Overdraft Setting.

Additional Terms to Loan Agreement

This document, and any future changes to it, is your contract with us. This Agreement governs your Loan issued by Bank of America, N.A.

Governing Law. This Agreement is made in North Carolina and we extend credit to you from North Carolina. This Agreement is governed by the laws of the State of North Carolina (without regard to its conflict of laws principles) and by any applicable federal laws.

Amendments. We reserve the right to amend this Agreement at any time, by adding, deleting, or changing provisions of this Agreement. All amendments will comply with the applicable notice requirements of federal and North Carolina law that are in

effect at that time.

Anti-Waiver. Our failure or delay in exercising any of our rights under this Agreement does not mean that we are unable to exercise those rights later.

Loan Purpose. You may use your Loan for personal, family, or household purposes. You may not use your Loan for business or commercial purposes. You may not use this Loan to make a payment on this or any other credit account with us or our affiliates. Funds may not be used to purchase, carry or trade securities or repay debt incurred to purchase, carry or trade securities. You may not use or permit your Loan to be used to make any illegal transaction. You may not use your Loan to conduct transactions in any country or territory or with any individual or entity that is subject to, or for any purpose that violates, economic sanctions administered and enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC).

Multiple Loans. Only one of these Loans can be outstanding at a time per customer. A 30-day waiting period is required between each new approved Loan application. We reserve the right to limit the number of Loan applications within a twelve (12) month period.

Payment Information. For your convenience, payments can be made electronically. We credit payments as of the date received, if the payment is: (1) paid electronically using the payments and transfers tool online; or (2) paid via automatic payment. Payments made online or by phone will be credited as of the date of receipt if made by 5 p.m local time. Payments received after 5 p.m. local time on any day including the payment due date, but that otherwise meet the above requirements, will be credited as of the next business day. Payments made through any other channel must be paid in U.S. funds.

If, pursuant to your payment instructions, we attempt to initiate a transfer of funds from your Bank of America N.A. checking or savings account for your payment under this Agreement and such account lacks sufficient available funds (including in any applicable Overdraft Protection plan) to cover the payment, we will either 1) not charge you an Overdraft Item Fee or NSF: Returned Item Fee for that transfer or attempted transfer or 2) we will refund the Overdraft Item Fee or NSF: Returned Item Fee charged for that transfer or attempted transfer. You will, however, remain liable for this payment and any subsequent payments.

Your account history, including monthly payments, can be viewed in Mobile or Online Banking.

Payment Conversions. Payments can be made electronically. Furthermore, we process most payment checks electronically. We use the information on your check to create an electronic funds transfer. Each time you send a check, you authorize a one-time electronic funds transfer. You also authorize us to process your check as a check or paper draft, as necessary. Funds may be withdrawn from your account as soon as the same day we receive your payment. You will not receive your cancelled check because we are required to destroy it. We will retain an electronic copy.

Attorneys' Fees and Costs. To the extent permitted by applicable law, if we hire an attorney other than our salaried employee to collect what you owe or realize on any security, you agree to pay our reasonable attorney's fees, including any incurred in connection with any bankruptcy or appellate proceeding, and any court costs and out of pocket expenses, whether or not the suit is filed, plus interest on such sums at the highest rate allowed by law.

Default. Except as prohibited by law, you will be in default on this Agreement if any of the following occurs:

- A) You fail to make a payment in full when due.
- B) You fail to perform any obligation that you have undertaken in this Agreement.
- C) You provide us false or misleading information in connection with this Loan.
- D) You die, are declared incompetent, or become insolvent.
- E) You fail to pay or keep any other promise or any other loan or credit agreement you may have with us.
- F) Any creditor of yours attempts to collect any debt you owe through court proceedings, set-off or self-help repossession.
- G) Anything else happens that causes us to believe that we will have difficulty collecting the amount you owe us.

Failure to Pay or Keep Promises as Required. If you do not pay us as agreed or you are otherwise in default, or if an event occurs which materially impairs your prospects to pay amounts due under this Agreement, we may, at our option, use any one or more of the following remedies:

- A) Declare the entire unpaid principal amount and finance charges to be immediately due and owing.
- B) Use the right of set-off as explained below.
- C) Use any remedy we have under state or federal law.

Unless otherwise provided by law, by choosing any one or more of these remedies, we do not give up our right to use another remedy later. By deciding not to use any remedy should you be in default, we do not give up our right to consider the event a default if it happens again.

Set-off. You agree that, unless prohibited by law, we may set off any amount due and payable under this Agreement against any right you have to receive money from us without prior notice or demand. "Right to receive money from us" means:

- A) Any deposit account balance you have with us or our affiliates (including, without limitation, joint accounts);
- B) Any money owed to you on an item presented to us or in our possession for collection or exchange; and

C) Any repurchase agreement or other non-deposit obligation.

"Any amount due and payable under this Agreement" means the total amount of which we are entitled to demand payment under the terms of this Agreement at the time we set off. This total includes any balance the due date for which we properly accelerate under this Agreement. If your right to receive money from us is also owned by someone who has not agreed to pay this Agreement, our right of set-off will apply to your interest in the obligation and to any other amounts you could withdraw on your sole request or endorsement. Our right of set-off does not apply to an account or other obligation where your rights arise only in a representative capacity. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

We will not be liable for the dishonor of any transaction when the dishonor occurs because we set off this debt against any of your accounts. You agree to hold us harmless from any such claims arising as a result of our exercise of our right of set-off.

Consent to Share Information. By entering into this Agreement, you authorize us to share information regarding this Loan with any person named as a joint owner of the checking account used to accept proceeds of your Loan (as set forth in Page 1 of this Agreement).

Change of address. You must notify us promptly when you change your address. We may also change your address if so notified by the post office or others.

Credit Reporting. We will report information about your account to credit bureaus, which may provide customers with the opportunity to build their credit history through on-time repayment. Payments made on time, late payments, missed payments, or other defaults on your account will be reflected in your credit report.

If you believe we have furnished inaccurate or incomplete information about you or your account to a credit reporting agency, write to us at: Bank of America, N.A., Credit Reporting Agencies, FL9-600-02-15, P.O. Box 45224, Jacksonville, FL 32232-9743. Please include your name, address, home phone number, and account number, and explain what you believe is inaccurate or incomplete.

Communicating with You. To the extent permitted by applicable law, and without limiting any other rights we may have, you consent to our communicating with you, in connection with this Loan, using any telephone number, including a cellular telephone number, or email address that you provided in your application, or using any telephone number, including a cellular telephone number, email address, or other address or number that you provide in the future. You authorize us to communicate with you using any current or future means of communication, including, but not limited to, automated telephone dialing equipment, artificial or pre-recorded voice messages, SMS text messages, email directed to you at a mobile telephone service, or email otherwise directed to you. WE MAY USE SUCH MEANS OF COMMUNICATION EVEN IF YOU WILL INCUR COSTS TO RECEIVE SUCH COMMUNICATIONS.

Customer Identification Program (CIP). Pursuant to requirements of law, including the USA Patriot Act, Bank of America, N.A. is obtaining information and will take necessary actions to verify your identity.

Integration and Severability. This document contains the entire Agreement between you and us. If any part of this document is invalid, all other parts of the document will remain valid.

Appendix B: Digital Marketing and Application Materials

Balance Assist | Customer Experience | Entry Points

Online Banking

The screenshot shows the Bank of America Online Banking homepage. At the top, there's a navigation bar with links for Personal, Small Business, Wealth Management, Businesses & Institutions, Security, About Us, En español, Contact Us, and Help. A search bar says "How can we help you?" with a magnifying glass icon. Below the navigation is the Bank of America logo and menu links for Checking, Savings, Credit Cards, Home Loans, Auto Loans, and Investing.

The main content area features a red banner with the headline "Introducing Balance Assist, a new way to help manage unexpected expenses". It explains that users can apply to borrow up to \$500 with a low flat fee and access funds within minutes. A "Get started" button is visible. To the right is a smartphone displaying the Balance Assist mobile app interface, which shows a message: "You'll have your money in minutes! We're depositing funds into [Advantage Plus - \$500]. View accounts".

On the left side of the main content, there's a sidebar with a login form for "Online ID" and "Passcode", a "Sign In" button, and links for "Forgot Online ID or Passcode?", "Security & Help", "Enroll", "Open an Account", "Find your closest financial center and ATM", and "Schedule an Appointment".

Below the sidebar, a woman is shown working at a laptop and phone. A callout box says "Keep your personal and financial information private" and "Watch out for unsolicited requests for money. Stop scams now >". Another callout box features a quote from Ken Burns: "History doesn't repeat itself, but it rhymes." with a link to "Listen now >".

At the bottom, there are three promotional boxes: one for Erica® with the text "Erica® has your back 24/7" and "Personalized insights and guidance to help you stay on top of your finances.", another for checking with the text "Get checking with the right features" and "Including a \$0 Liability Guarantee that helps cover you from fraudulent...", and a third for Merrill with the text "Deals all day, every day" and "Get up to 10% cash back or more with BankAmeriDeals®. See details >".

Online Banking and Mobile

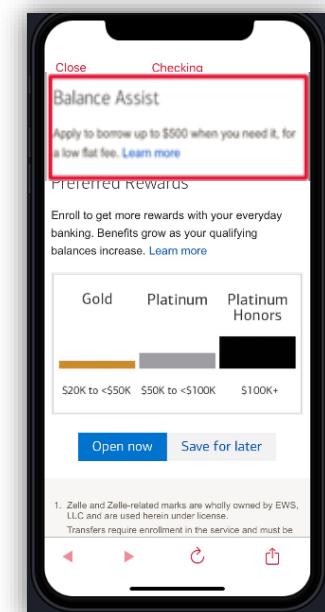
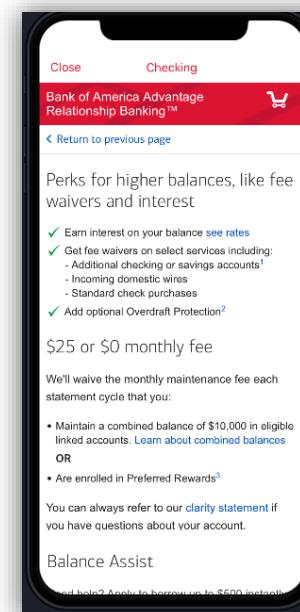
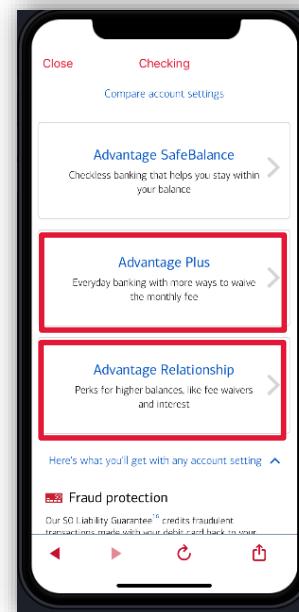
A red promotional graphic with the headline "Complete your application for Balance Assist". Below it, a smartphone displays the Balance Assist mobile app interface with the message "You'll have your money in minutes! We're depositing funds into [Advantage Plus - \$500]. View accounts". To the right, another smartphone shows a different screen of the app. A large blue "Apply now" button is at the bottom.

A red promotional graphic with the headline "Complete your application for Balance Assist". Below it, a smartphone displays the Balance Assist mobile app interface with the message "You'll have your money in minutes! We're depositing funds into [Advantage Plus - \$500]. View accounts". A blue "Apply now" button is at the bottom.



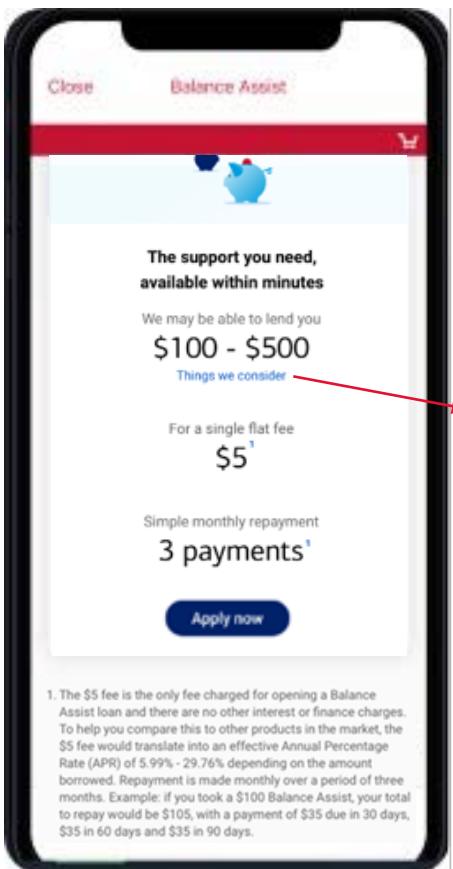
Balance Assist | Customer Experience | Entry Points

Visit Open An Account > Advantage Plus/Advantage Relationship Section

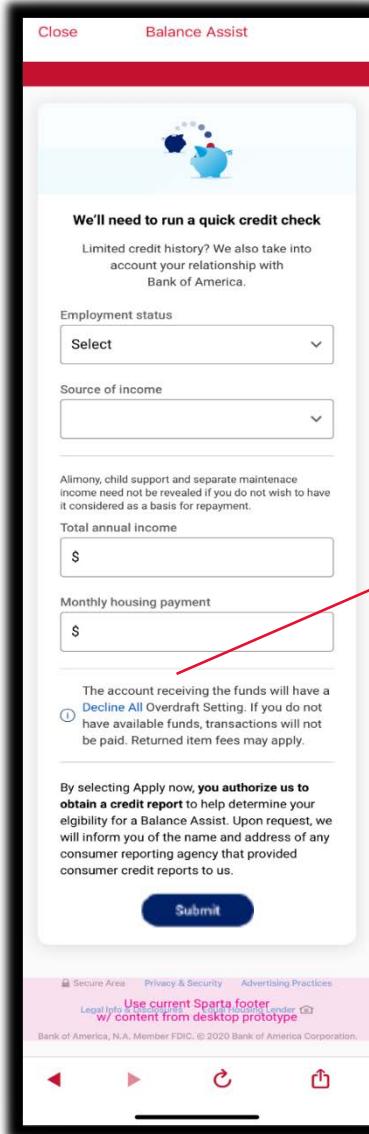


Balance Assist | Customer Experience | Applying for Balance Assist | Mobile

1. Overview



2. Credit Check



How the Decline All Overdraft Setting Works

When you obtain a Balance Assist the overdraft setting on the account receiving the Balance Assist funds will be set to the Decline All Overdraft Setting.

This means if we determine at the time of the transaction that you don't appear to have enough available funds in your account (or in any applicable Overdraft Protection plan) to cover a transaction, we will not authorize the payment or pay the transaction causing an overdraft.

Checks or scheduled payments will be returned unpaid if you don't have enough money in your account. You may be charged a \$35 NSF: Returned Item Fee for each item we decline or return unpaid. However, we will waive or refund this fee if it is incurred when you attempt to make a Balance Assist payment. We don't charge this fee for one time or recurring debit card payments that are declined. When we decline or return an item, the merchant or third party may also charge you a fee(s).

In the Decline All Overdraft Setting, your account may still receive Overdraft Protection transfers from a linked account if it does not have enough funds to cover an item. If a transfer is made from a linked account as part of an applicable Overdraft Protection plan, transfer fees may apply and transfers from a line of credit or credit card may be subject to additional fees and accrue interest.

Even in Decline All, your account may still become overdrawn. This can happen if your debit card is authorized for one amount but the final amount is higher (for example, adding a tip at a restaurant).

Once you repay your Balance Assist, you can call to request to update your account to the Standard Overdraft Setting. In Standard Overdraft Setting your checks and scheduled payments may be paid at our discretion, causing an overdraft, and you may be charged an Overdraft Item Fee.



Balance Assist | Customer Experience | Applying for Balance Assist | Mobile

Loan and Payment Amount are Illustrative

3. Approval

The image shows two sequential mobile application screens. The first screen displays a success message: "Good news! We're able to lend you up to \$500 Available if you choose". It includes fields for "Select amount" and "Select account", and a note about overdraft settings. The second screen asks if the user wants to set up automatic payments, with options "Yes, set up automatic payments" and "If No, simply tap Continue to make the payments yourself". Both screens feature navigation arrows at the bottom.

Good news!
We're able to lend you up to
\$500
Available if you choose

How much do you need?
Select amount

Send my money to
Select account

The Overdraft Setting on this account will change to [Decline All](#).

Setting up automatic payments can help you save time and keep your payments on track.

Make automatic payments? (optional)
 Yes, set up automatic payments

Setting up automatic payments can help you save time and keep your payments on track.

Make automatic payments? (optional)
 Yes, set up automatic payments

Pay back automatically from
Select account

Continue

Close Balance Assist

Setting up automatic payments can help you save time and keep your payments on track.

Make automatic payments? (optional)
 Yes, set up automatic payments

Setting up automatic payments can help you save time and keep your payments on track.

Make automatic payments? (optional)
 Yes, set up automatic payments

Pay back automatically from
Select account

Continue

Close Balance Assist

4. Confirm and Consent

The image shows two sequential mobile application screens. The first screen displays loan details: "Amount requested \$300", "Flat fee \$5", and "Total to repay \$305". It also shows repayment details: "Paying automatically from Advantage Plus - 4566", "First payment scheduled October 17", and "Payment amount \$101.67". The second screen is a summary page with fields for "City", "State", and "Zip", and sections for "LENDER", "AGREEMENT DATE", "LAST PAYMENT DUE DATE", and "LOAN NUMBER". It includes a checkbox for accepting the terms and conditions and a "Accept Balance Assist" button. Both screens feature navigation arrows at the bottom.

Review and accept your Balance Assist

Amount requested \$300

Flat fee \$5

Total to repay \$305

Your 3 month repayment details

Paying automatically from
Advantage Plus - 4566

First payment scheduled
October 17

Payment amount
\$101.67

Balance Assist Loan Agreement [View as PDF](#)

Secure Area Privacy & Security Advertising Practices

Use current Sparta footer w/ content from desktop prototype

[City] [State] [Zip]
(Throughout the remainder of this Agreement the borrower listed above is referred to as "you," or "your")

LENDER: Bank of America, N.A.
(Throughout the remainder of this Agreement, the lender listed above is referred to as "we," "us" or "our.")

AGREEMENT DATE: [XX/XXX/XXXX]

LAST PAYMENT DUE DATE: [XX/XX/XXXX]

LOAN NUMBER: [XXXXXXXXXX]

By submitting this application, you acknowledge that you have reviewed and agree to the Loan Agreement & Terms and Conditions, and your new account is subject to the terms of the eCommunications Disclosure.

Accept Balance Assist

Secure Area Privacy & Security Advertising Practices

Use current Sparta footer w/ content from desktop prototype

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5. Complete

The image shows a single mobile application screen. It features a success message: "You'll have your money in minutes!" followed by "We're depositing funds into [Advantage Plus - 4566]". It includes a "View accounts" button and a section titled "We've got your back" with a "Set up custom alerts" button. The screen also includes standard footer links for "Secure Area", "Privacy & Security", "Advertising Practices", and the "Use current Sparta footer w/ content from desktop prototype".

You'll have your money in minutes!

We're depositing funds into [Advantage Plus - 4566]

[View accounts](#)

We've got your back

If you set up custom alerts, we'll let you know if your balance dips too low, if you have a payment coming up and more.

[Set up custom alerts](#)

Secure Area Privacy & Security Advertising Practices

Use current Sparta footer w/ content from desktop prototype

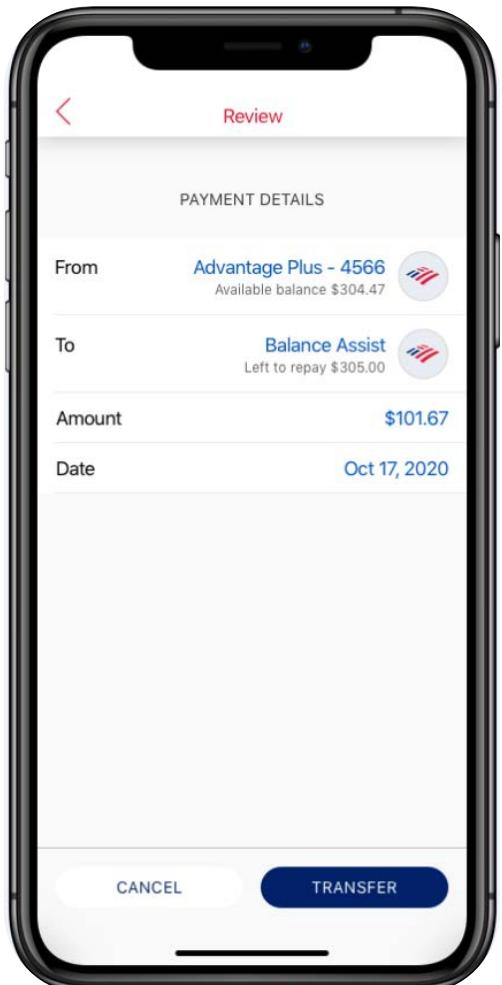
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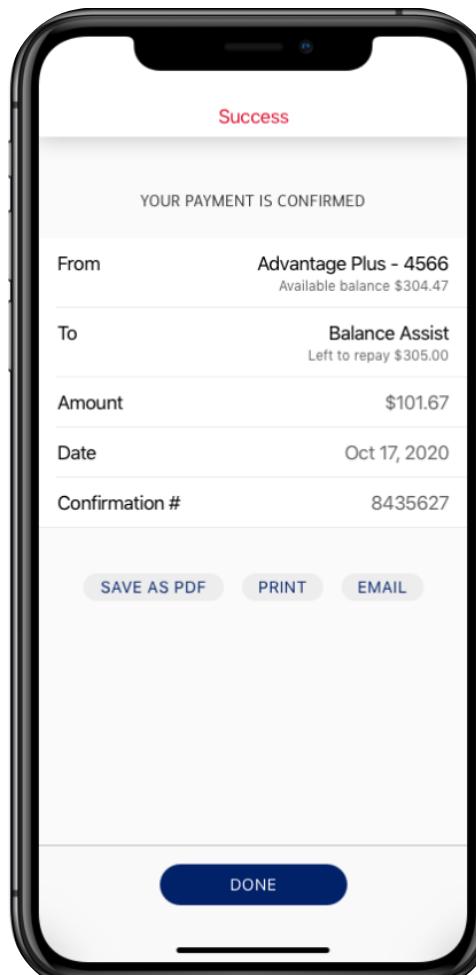
Balance Assist | Customer Experience | Digital Payments

Loan and Payment Amount are Illustrative

Make a Payment



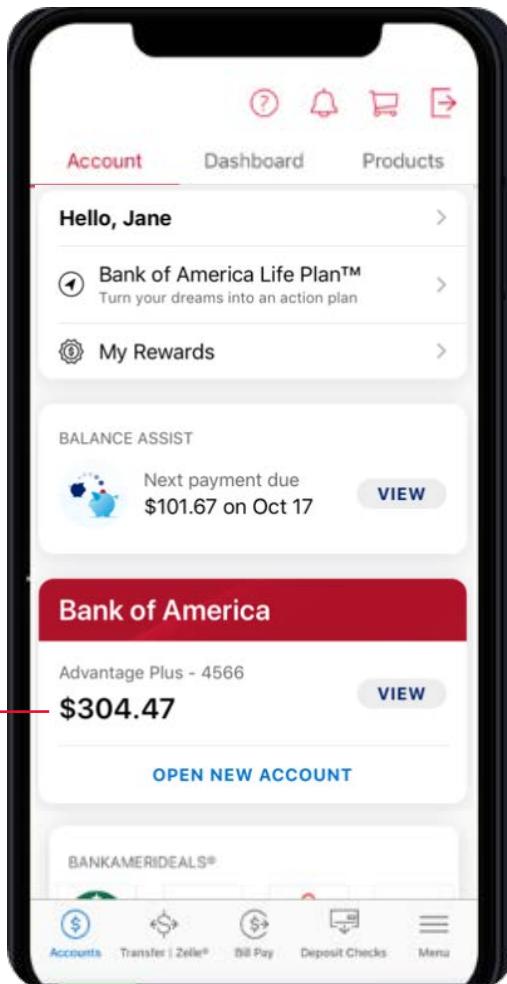
Payment Confirmation



Balance Assist | Customer Experience | Digital Servicing

Account Balance, Loan and Payment Amount are Illustrative

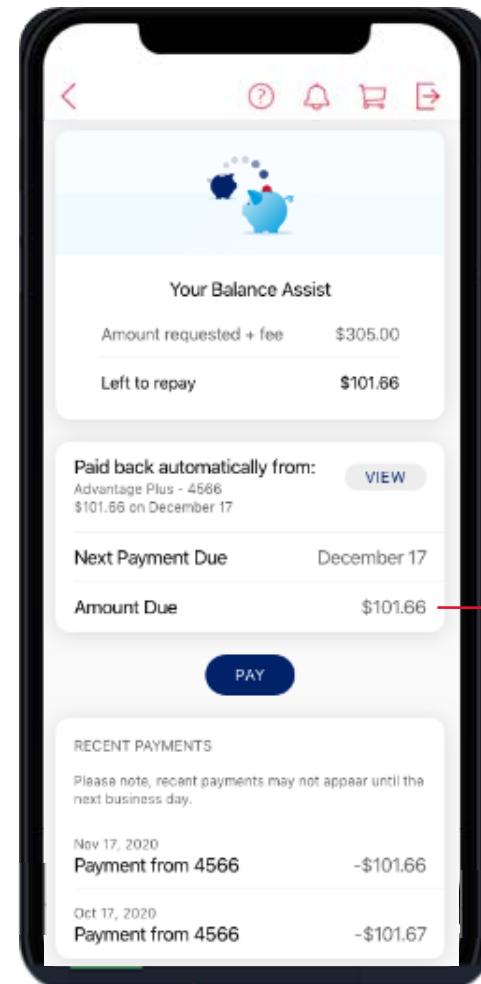
Account Overview



In this example, customer had \$4.47 in their account before getting their Balance Assist loan



Account Details



This example reflects the third and final payment that is due



Balance Assist | Customer Experience | Alerts | Application Results

Loan and Payment Amount are Illustrative

Account Open

From: Bank of America >
To: me > Hide

Great news! Your Balance Assist was approved
Today at 11:44 AM

BANK OF AMERICA

Great news! Your Balance Assist was approved

More information about your Balance Assist:

Loan amount¹: \$305.00
First payment: \$101.67
Due date: Oct 17, 2020

You can review your Loan Agreement and Terms & Conditions in [Statements & Documents](#)

¹ including fees

We'll never ask for your personal information such as SSN or ATM PIN in email messages. If you get an email that looks suspicious or you are not the intended recipient of this email, don't click on any links. Instead, forward to abuse@bankofamerica.com then delete it.

Please don't reply to this automatically generated service email.

[Privacy Notice](#) [Equal Housing Lender](#)

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Overdraft Setting Changed

Bank of America
To: me
Your overdraft setting has been changed

Today at 11:00 AM BA

BANK OF AMERICA

Your overdraft setting has been changed to Decline All

Robin's checking account ending in 4566

As a reminder, with Balance Assist, we adjusted the overdraft setting on your checking account. This changes how transactions are processed when you don't have sufficient available funds to cover a transaction.

About the Decline All Overdraft Setting

- If you don't have enough money in your account, or your linked Overdraft Protection account at the time of a transaction, we'll decline or return it.
- We may charge a \$35 NSF: Returned Item Fee for each transaction that we decline or return unpaid. However, we will waive or refund this fee if it is incurred when you attempt to make a Balance Assist payment. We don't charge this fee for one-time or recurring debit card payments that are declined. The merchant or third party may charge you additional fees for any declined or returned transactions.
- Even in Decline All, your account may still become overdrawn. This can happen if your debit card is authorized for one amount but the final amount is higher (for example, adding a tip at a restaurant).

Once your Balance Assist is repaid, you can call us to request that we adjust your overdraft setting.

For more information about our overdraft policy, review our [Deposit Agreement and Disclosures](#) and [Personal Schedule of Fees](#).

We'll never ask for your personal information such as SSN or ATM PIN in email messages. If you get an email that looks suspicious or you are not the intended recipient of this email, don't click on any links. Instead, forward to abuse@bankofamerica.com then delete it.

Please don't reply to this automatically generated service email.

[Privacy Notice](#) [Equal Housing Lender](#)

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Declined

From: Bank of America >
To: me > Hide

Balance Assist application not approved
Today at 11:44 AM

BANK OF AMERICA

Balance Assist application not approved

We couldn't approve your request for a Balance Assist at this time.

Go to [Statements & Documents](#) to find out more about the reason(s) for our decision.

We'll never ask for your personal information such as SSN or ATM PIN in email messages. If you get an email that looks suspicious or you are not the intended recipient of this email, don't click on any links. Instead, forward to abuse@bankofamerica.com then delete it.

Please don't reply to this automatically generated service email.

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Balance Assist | Customer Experience | Alerts | Payments

Payment Amount is Illustrative

Payment Due Soon

From: [Bank of America](#) >
To: [me](#) > Hide

Your Balance Assist payment is due soon
Today at 11:44 AM

BANK OF AMERICA



Your Balance Assist payment is due soon

Your next payment is due on Oct 17, 2020.
If you set up an automatic payment, it will process as scheduled.
If you've already made a payment, please note that any scheduled automatic payments will still process unless you cancel them.
[Sign in to Online Banking](#) to manage your payments.

We'll never ask for your personal information such as SSN or ATM PIN in email messages. If you get an email that looks suspicious or you are not the intended recipient of this email, don't click on any links. Instead, forward to abuse@bankofamerica.com then delete it.

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Payment Made

From: [Bank of America](#) >
To: [me](#) > Hide

Thank you for your Balance Assist payment
Today at 11:44 AM

BANK OF AMERICA



Thank you for your Balance Assist payment

The payment posted on Oct 17, 2020.
Reminder: If you set up automatic payments when you applied, your future payment(s) will process as scheduled.
However, if you make an additional payment, your automatic payment will still process unless you cancel it.

We'll never ask for your personal information such as SSN or ATM PIN in email messages. If you get an email that looks suspicious or you are not the intended recipient of this email, don't click on any links. Instead, forward to abuse@bankofamerica.com then delete it.

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Payment Past Due

From: [Bank of America](#) >
To: [me](#) > Hide

Your Balance Assist payment is past due
Today at 11:44 AM

BANK OF AMERICA



Your Balance Assist payment is past due

Amount: **\$101.67**
Due date: **Oct 17, 2020**
Please make this payment as soon as possible.

Make a payment

We'll never ask for your personal information such as SSN or ATM PIN in email messages. If you get an email that looks suspicious or you are not the intended recipient of this email, don't click on any links. Instead, forward to abuse@bankofamerica.com then delete it.

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Paid in Full

From: [Bank of America](#) >
To: [me](#) > Hide

Your Balance Assist is paid in full
Today at 11:44 AM

BANK OF AMERICA



Your Balance Assist is paid in full

Thank you. Your Balance Assist is paid in full as of Dec 17, 2020.
As a reminder, to help you keep a positive balance, your overdraft setting for **checking account ending in 4566** was changed to Decline All.

Now that your Balance Assist is repaid, you can [contact us](#) to request to adjust your overdraft setting or review your options.

We'll never ask for your personal information such as SSN or ATM PIN in email messages. If you get an email that looks suspicious or you are not the intended recipient of this email, don't click on any links. Instead, forward to abuse@bankofamerica.com then delete it.

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