



First Northern Bank

Overdraft Program (ODP) Service Policy

First Northern Bank offers a semi-automated Overdraft Program (ODP) for eligible accounts. If your account qualifies for ODP, we will consider, without obligation on our part, paying items up to a specific limit for which your account has insufficient or unavailable funds, instead of automatically returning those items unpaid. This document explains how these ODP semi-automated services operate.

Our ODP Service Is Not a Line of Credit. Even if you qualify for our ODP, the Bank is not obligated to pay any item presented for payment if your account does not contain sufficient collected funds to cover the item, and we advise you not to rely upon ODP service to cover routine or intentional overdrafts. However, if you overdraw your account, rather than automatically return items unpaid because of non-sufficient funds, using our semi-automated ODP, we may consider approving a reasonable overdraft on eligible accounts that we consider to be in good standing, as follows: (1) on consumer and sole proprietorship accounts, a reasonable overdraft will not exceed \$300; (2) on commercial accounts other than for sole proprietorships, a reasonable ODP amount will not exceed \$1,500. Most of our checking account products are eligible for this service, except for those listed below under "Ineligible Accounts & Limitations."

In deciding whether an account is in good standing, we may consider many factors, such as the following **among others**: (a) whether you make regular monthly deposits into your account, (b) the size of the item and the amount of any existing overdraft balance, (c) how quickly you bring your account to a positive balance (not overdrawn/negative) after it becomes overdrawn, (d) how long it has been since your account has had a positive balance, (e) whether you are in default on any loan obligation to the Bank, and (f) whether your account is the subject of any legal or administrative order or levy, such as bankruptcy or a tax lien.

Transactions That May Overdraw Your Account. An overdrawn balance may result from (a) the payment of checks, automatic bill payments, single ("everyday") or recurring debit card transactions, ATM withdrawals or transfers or drawings by others made through an Automated Clearing House, (b) a posting to your account of a service charge or fee, *including a non-sufficient funds (NSF) or Overdraft Fee* or (c) any of the foregoing that are paid against one or more deposited items which, according to the Bank's Funds Availability Policy, are not yet "available" or finally paid. An overdrawn balance may also be caused if we honor Items based upon a deposit you have made, but the financial institution upon which the deposited Item was drawn refuses, for any reason, to pay or settle for the Item.

Types of ODP Service. For personal accounts, *Standard ODP service does not cover any ATM withdrawals or everyday debit card transactions, while Full ODP service also covers such transactions. Only Standard ODP service is available for your account unless you affirmatively tell us you want our Full ODP.* For business accounts, *ODP service covers ATM withdrawals and everyday debit card transactions unless you tell us otherwise.*

Participation in Our ODP Is Not Mandatory. If you do not want ODP service, you need only notify us, by phone, mail or in person at your branch. You may also notify us if you want to change your personal account ODP service from Full to Standard, or from Standard to Full ODP service. Of course, even if you elect not to participate in our ODP service, we may honor an overdraft under our independent (that is, our non-semi-automated) overdraft policies.

Fees. Our normal non-sufficient funds (NSF) and overdraft fees will be charged to your account whether or not the overdraft Items are paid under our ODP service or under our independent overdraft policies. The amounts of these fees, which are subject to change, are reflected in our Schedule of Fees & Charges. As of the date when this document was printed, the amount of these fees was \$32. However, (1) except for business accounts that are subject to our account analysis pricing, these fees will not exceed \$192 per day, (2) neither of these fees will be imposed for attempted or completed ATM withdrawals or everyday debit card transactions against your personal account unless you have expressly consented to have such Items covered by ODP, and (3) we do not charge these fees on personal accounts if (a) after an item is dishonored or paid, the overdraft balance is no greater than \$5, or (b) the amount of the item, itself, does not exceed \$5. Note that your Items may not be processed in the order in which they occur or in which we receive them, and the order in which we process your Items can affect the total amount of NSF and overdraft fees that could be charged your account.

Notice. You will be notified by mail whenever we pay an Item that overdraws your account or increases the overdraft balance of your account, whether the Item is paid under ODP or otherwise, and whenever we return an Item drawn against your account for any reason; however, we have no obligation to notify you before the Item is processed for payment or return.

Your Obligation to Cover Overdrafts. The amount of any overdrafts, plus our non-sufficient funds item charge(s) that you owe us shall be due and payable immediately. If there is an overdraft paid by us on an account with more than one owner, each owner will be obligated to cover the Item and our associated fees, whether or not the Owner was responsible for drawing or authorizing the Item. The obligations described in this paragraph apply not only to overdrafts covered under our semi-automated ODP Service, but also to overdrafts that we may, in our absolute discretion, permit outside of this ODP Service and/or in amounts that exceed the limits expressed in the second paragraph of this ODP Service Policy statement.

Ineligible Accounts and Limitations. These accounts are not eligible for ODP service: Money Market, Savings, Non-Profit, Public Funds, Attorney/Client & other Professional Trust Accounts, Uniform Transfers to Minors Act Accounts, Electronic Transfer Accounts¹ and accounts covered by a Reserve Account-Line of Credit. We may also limit the number of eligible accounts for ODP to one account per household and/or one account per Tax Identification Number.

Other Overdraft Protection Options Available for Personal Accounts. (1) Savings Overdraft Protection service - transfer funds from your savings account (current fee of \$5 per transfer applies). The number of these transfers allowed per month is Standard by Banking Regulations. (2) Reserve Account Line-of-Credit (current fee is 2% of transferred amount, plus interest which accrues on amount advanced to cover the overdrawn/negative balance.) Each of these services require a separate application; if you apply and are approved, you may save money on the total fees you pay for overdraft protection services, and, *unlike ODP, you would have the assurance that all Items within your savings account balance or credit limit, as applicable, would be honored* – in other words, under these services we are committed to cover qualifying overdrafts. However, if you apply for one of these other overdraft protection services but you do not qualify, you may not be eligible for the ODP service described in the preceding paragraphs of this Document.

If You Need Help. Overdrafts should not be used to pay ordinary or routine expenses; you should not rely on overdrafts as a means to cover these expenses. If you feel you need help with your financial obligations, please contact one of our officers to determine what alternatives are available to you.

Always a Discretionary Service. *Our ODP does not constitute an actual or implied agreement between you and us. Nor does it constitute an actual or implied obligation of or by us. This service represents a purely discretionary courtesy service that we may provide to you from time to time and which may be withdrawn or withheld by us at any time without prior notice or reason or cause.*

¹ Electronic Transfer Accounts are accounts accessible only through automated clearing house credits, which increase the balance of the account, and debit card withdrawals and purchase transactions.