



FIRST NORTHERN BANK Overdraft Program (ODP) Service Policy

First Northern Bank (Bank) offers two automated Overdraft Program (ODP) options for eligible accounts: (1) Standard ODP, which consumer accounts are automatically enrolled in at account opening; and (2) Full ODP, which commercial (business) accounts are automatically enrolled in at account opening. Consumers who wish to obtain Full ODP, must first opt in. You can opt out of Standard ODP or Full ODP at any time. You may also choose to have no ODP Service. Each of these coverage options is explained in more detail below. If your account qualifies for ODP, we will **consider, without obligation on our part**, paying transactions up to a specific limit for which your account has non-sufficient or unavailable funds, instead of automatically returning those items unpaid. For a summary of our overdraft practices, please also refer to the document entitled “**Understanding and Avoiding Overdraft (OD) Fees and Nonsufficient Funds Returned Item (NSF) Fees.**”

Alternative Overdraft Options. As alternatives to our Standard ODP or Full ODP coverage options, we offer our overdraft account transfer service and our Reserve Account Line of Credit. These alternatives may better serve your particular needs and could save you money.

- **Overdraft Transfer Service:** If you elect this service, we will automatically transfer funds from your designated FNB Statement Savings, Combined Statement Savings, Business Savings account to avoid an overdraft in your checking account. Transfers are made in increments of \$20. This service provides overdraft coverage for the following transaction types: checks, ACH and recurring debit card. Additional terms and conditions apply. For more information, call 1-877-362-6000 or visit one of our branches.
- **Reserve Account Line of Credit:** This is a line of credit for which you must apply and is subject to credit approval. In the event your checking account becomes overdrawn as a result of a check, ACH, recurring or one-time debit card transaction and/or ATM withdrawal, available funds will be transferred from your reserve account line of credit to your checking account in increments of \$50. A Transfer Fee of 2% of the amount advanced and automatically transferred to the checking account will be assessed. Annual Percentage Rate is 18%. This is not a commitment to lend. Additional terms and conditions apply. For more information, call 1-877-362-6000 or visit one of our branches.

Explanation of Overdraft Coverage Under Standard ODP or Full ODP Services. To cover occasional, inadvertent overdrafts, we offer Standard ODP or Full ODP. These options can be expensive and may not be the best options for you. You can decline or opt out of Standard ODP or Full ODP at any time by calling 1-877-362-6000 or by visiting one of our branches. If eligible, an overdraft coverage limit will be assigned to each individual account, as follows: (1) for consumer and sole proprietorship accounts, the overdraft coverage limit is \$300; and (2) for commercial accounts other than for sole proprietorships, the overdraft coverage limit is \$1,500. Fees, such as Overdraft Fees, and NSF Returned Item Fees, count against the overdraft limit on your Account. For example, in the event we pay a transaction into overdraft, the **\$32 Overdraft Fee**, as well as the amount of the overdraft transaction, will be subtracted from your overdraft coverage limit. If you reach or exceed your overdraft coverage limit, this may result in transactions being declined or returned unpaid to merchants/third parties due to non-sufficient funds, and the Bank may assess the **\$32 NSF Returned Item Fee** each time we return a transaction for non-sufficient funds.

The Bank’s practice of paying overdrafts on your account is discretionary, meaning we can change our practice of paying, or not paying, overdrafts on your account without notice to you. We are not obligated to pay any transaction presented for payment if your account does not contain sufficient funds, even if you are enrolled in Standard ODP or Full ODP. In other words, we may refuse to pay an overdraft transaction at any time even though we may have previously paid overdrafts on your account. The fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So, you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you.

Fees. You agree that we may charge you the following fees:

Overdraft Fee.....\$32.00 per transaction*
NSF Returned Item Fee.....\$32.00 per transaction*

The maximum daily cap on Overdraft Fees and/or NSF Returned Item Fees is \$192 (which equals six Overdraft Fees and/or NSF Returned Item Fees per day).

***Important Information Regarding Overdraft Fees.** For Standard ODP or Full ODP, we charge a **\$32 Overdraft Fee** for each transaction that overdraws your account, up to \$192.00 per day. For information on the specific types of transactions covered by these services, refer to “Standard ODP” and “Full ODP” sections below. We do not charge an Overdraft Fee if: (1) after all transactions presented to your account in any given day are paid, your Consumer deposit account balance is overdrawn by \$10 or less; or (2) the amount of the transaction itself does not exceed \$. Whatever overdraft coverage option that you have (either Standard ODP, Full ODP, or No ODP coverage), we may return or reject, rather than pay transactions if there are non-sufficient funds available in your account, or if the amount of an attempted transaction is larger than your available overdraft limit. Each time we return rather than pay a check, ACH or recurring debit card transaction, we assess a **\$32 NSF Returned Item Fee**. For more information, please refer to “Important Information Regarding NSF Returned Item Fees” below.

***Important Information Regarding NSF Returned Item Fees.** If a transaction you conduct is presented for payment in an amount that is more than the amount of money in your account, and we decide not to pay the transaction, you agree that we can charge you a **\$32.00 NSF Returned Item Fee** for returning the payment. This NSF Returned Item Fee applies to the following transaction types: checks, ACH and recurring debit card transactions. Be aware that a transaction may be presented multiple times by the merchant or other payee until it is paid. We do not monitor or control the number of times a transaction is presented for payment. You agree that we may charge you a **\$32 NSF Returned Item Fee** each time a transaction is presented if the amount of money in your account is not sufficient to cover the transaction, regardless of the number of times the transaction is presented. **This means that the same transaction might result in multiple NSF Returned Item Fees if re-presented to us for payment. You authorize us to impose multiple fees as well as the same fees multiple times (such as multiple NSF Returned Item Fees and/or Overdraft Fees) in connection with a single transaction that has been returned or presented multiple times. This includes, for example, when a NSF Returned Item Fee results from an electronic debit that is rejected or paid after being represented for payment against your account.** This means you MAY be charged an Overdraft Fee after having already paid an NSF Returned Item Fee on the SAME TRANSACTION, if we choose to pay the transaction upon a subsequent presentation, after we had previously returned the same transaction after an earlier presentation. If you have questions regarding our policy on charging multiple fees, please call 1-877-362-6000 or visit one of our branches.



FIRST NORTHERN BANK

Overdraft Program (ODP) Service Policy

ODP Options. Under our automated discretionary overdraft service, we offer two different overdraft coverage options:

(1) Standard ODP; (2) Full ODP; or you can choose No ODP coverage.

Standard ODP. Standard ODP coverage is automatically assigned to consumer accounts. **You can opt out of Standard ODP at any time and elect to have No ODP coverage (see below).** Standard ODP provides overdraft coverage for the following transaction types: checks, ACH, recurring debit card transactions. For each of these transactions that we pay, you will be charged a **\$32.00 Overdraft Fee** if the transaction overdraws your account, up to \$192 per day (which equals six Overdraft Fees). We do not charge the \$32 Overdraft Fee if: (1) after all transactions presented to your account on any given day are paid or returned, your Consumer checking account balance is overdrawn by \$10 or less or; (2) the amount of the transaction itself does not exceed \$10. With Standard ODP, your ATM and everyday (one-time) debit card transactions will be declined rather than paid. We do not charge a fee for declining these transactions. Standard ODP is subject to the "Force Pay transactions" policy, as explained below. We reserve the right to decline to pay any transaction into overdraft. Each time we decline to pay a check, ACH or recurring debit card transaction due to non-sufficient funds in your account and instead we return the transaction, we charge a **\$32 NSF Returned Item Fee**.

Full ODP. Full ODP includes discretionary overdraft coverage of transactions covered by Standard ODP, plus: (1) one-time debit card transactions, also known as point-of-sale (POS) transactions, such as a purchase you make at a merchant; and (2) ATM transactions. **--Full ODP Service is not an option offered to REDUCE your payment of NSF Returned Item Fees or Overdraft Fees.**

Commercial business accounts are automatically enrolled in Full ODP. We charge you a **\$32.00 Overdraft Fee** for each transaction that we pay which overdraws your account

For consumer accountholders, to obtain Full ODP you must first affirmatively opt in to this service by completing the form entitled "What You Need to Know About Overdrafts and Overdraft Fees." You should keep a copy of this form for your records. We charge you a **\$32.00 Overdraft Fee** for each transaction that we pay which overdraws your account. For consumer and sole proprietorship accounts, the maximum daily cap on Overdraft Fees is \$192 (which equals six Overdraft Fees per day). There is no fee cap on business accounts (other than sole proprietorship accounts). We do not charge the \$32.00 Overdraft fee if: (1) after all transactions presented to your account on any given day are paid or returned, your account balance is overdrawn by \$10 or less or; (2) the amount of the transaction itself does not exceed \$10. **If you opt in to Full ODP, you can still opt out of this service at any time.** If you are a consumer and opt out of Full ODP, you will also be opted out of Standard ODP, unless you tell us otherwise.

We reserve the right to decline to pay any transaction into overdraft. Each time we decline to pay a check, ACH or recurring debit card transaction due to insufficient funds in your account and instead we return the transaction, we charge a **\$32 NSF Returned Item Fee**.

No ODP coverage. You can opt out of Standard ODP or Full ODP at any time. If you opt out, you will have **No ODP coverage**, and typically your transactions will be declined or returned rather than paid. Subject to the "Force Pay Transactions" policy described below, if you have **No ODP coverage**, typically the following will happen:

- Except for the transaction types listed below for which we charge a \$32 NSF Returned Item Fee, generally your transactions will be declined rather than paid. We do not charge a fee for declining these transactions.
- Your checks, ACH and recurring debit card transactions will be returned rather than paid. Each time we return one of these types of transactions for insufficient funds, we charge a **\$32 NSF Returned Item Fee**.

Force Pay Transactions. There may be instances where we will pay a transaction even if you do not have sufficient funds in your account to cover the transaction and you are not enrolled in Standard ODP or Full ODP. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Under these circumstances, we will still pay (or "force pay") the transaction and you will not be charged a fee.

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. Most of our checking account products are eligible for these services, except for those listed below under "Ineligible Accounts & Limitations."

Account Must Be in Good Standing. 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 transaction 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, one-time ("everyday") debit card transactions or recurring debit card transactions, ATM withdrawals or transfers or drawings by others made through an Automated Clearing House (ACH) – also referred to as "items.", (b) a posting to your account of a service charge or fee, *including non-sufficient funds (NSF Returned Item Fees) or Overdraft Fees* 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.

Participation in Our ODP Is Voluntary. 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-automated) overdraft policies.



FIRST NORTHERN BANK

Overdraft Program (ODP) Service Policy

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

Transaction Posting Order – Posting Order is the order in which transactions are applied to (debited from) your account during bank processing at the end of the day. Please read this disclosure carefully because it tells you the order in which we post your transactions that come in on the same business day. You agree to this order of transaction posting.

If at the beginning of a business day there are sufficient AVAILABLE funds in your account to cover all otherwise properly payable items presented for payment on that day, the order in which the items are processed will not matter. However, if at the beginning of a business day, there are not sufficient AVAILABLE funds in your account to cover all otherwise properly payable items presented on that day, at our option, we may pay all such items or we may pay some or none of them, you will want to be aware of our Transaction Posting Order.

We first post credits to your account, including deposits made by you, transfers from other accounts, loan advances directed to your checking and other credits to your account. We then post debit transactions in the following order:

1. Debits related to automated transfers you have set up between your FNB deposit accounts to process on that date.
2. Federal and State Interest Withholding debits, as required by law.
3. Bank originated Miscellaneous Debit Memo, such as to assess certain bank fees such as an Account Research Fee or a Legal Process Fee. This may also be used to remove funds from your account to satisfy a government legal process, such as a Levy or to pay for an FNB Cashier's Check you have purchased.
4. Deposit Corrections in the instance a deposit you made and received credit for should have been in a lower amount. The difference in the credited amount and the corrected deposit amount is debited.
5. Bank originated Force Post Debits, such as items the bank wants to post over an insufficient balance without triggering a fee.
6. Loan Payments made either through automatic payment or online banking from your checking account.
7. Checks cashed over the counter in a branch.
8. Reversals of deposited items, from which you have received credit, but which are returned to us by the paying bank unpaid.
9. ATM transfers from your FNB deposit account to another FNB deposit account and ATM cash withdrawals
10. Point of Sale, everyday debit card transactions, such as purchases from a Merchant are processed in order of date and time transacted.
11. Telephone Transfer debits made from one FNB deposit account to another of your FNB deposit accounts.
12. Automated Clearing House (ACH) transfers from your account. ACH items are processed from the item smallest in amount to the item largest in amount. These transactions include transfers relating to checks processed by a merchant or other party as an item that is settled through the ACH system.
13. Checks that have been presented by the Check Payee for deposit at FNB. These items are paid in check number order.
14. Items presented to us through the traditional check clearing process. These items include items presented as substitute checks or check images. These items are processed in the order in which you drew them, as reflected by the check number on the item – we pay the item with the lowest check number first, and the items with the largest check number last, in check number order.
15. Checks presented to us through the traditional check clearing process without a check number are processed from the smallest items in amount to the largest in amount.
16. Bank fees, such as monthly account maintenance service charges, ATM charges, nonsufficient funds (NSF) fees, stop payment order fees, , etc. to your account.
17. Loan payments made through online banking to your Reserve Account line of credit.
18. Transfers from your FNB Deposit Account to a Deposit Account at another Financial Institution.
19. Finally, Overdraft Fees.

Determining your AVAILABLE BALANCE – We use the “available balance” method to determine whether an account is overdrawn (that is, whether there is enough money in your account to pay for a transaction). Importantly, your “available” balance may not be the same as your account’s “actual” balance. This means an OD or NSF transaction could occur regardless of your account’s actual balance. Your account’s actual balance, (sometimes called the “ledger” balance) only includes transactions that have settled at that point in time (that is, transactions (deposits and payments) that have posted to your account). The actual balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending.) The balance on your periodic statement is the actual balance for your account as of the statement date. As the name implies, your available balance is calculated based on the money “available” in your account to make payments. In other words, the available balance takes transactions that have been authorized, but not yet settled, and subtracts them from the actual balance. In addition, when calculating your available balance, any “holds” placed on deposits that have not yet cleared are also subtracted from, the actual balance. Please see section below “Deposited Funds Availability.” In addition, for more information on how holds placed on funds in your account can impact your available balance, read the subsection below titled “How a temporary debit authorization hold affects your account balance.”

Balance information and Balance Availability – Keeping track of your balance is important. You can review your balance several ways including reviewing your periodic statement, reviewing your balance online or in our mobile app, accessing your account information by phone, or coming in to one of our branches. You may also set mobile account balance alert options asking the bank to notify you under certain circumstances to help avoid NSF Returned Item or Overdraft Fees.

Payment (Transaction) types – Some, but not necessarily all, of the ways you can access the funds in your account include debit card transaction, automated clearing house (ACH) transactions, and check transactions. All these payment types can use different processing systems, and some may take more or less time to post to



FIRST NORTHERN BANK

Overdraft Program (ODP) Service Policy

your account. This information is important for several reasons. For example, keeping track of the checks you write and the timing of the preauthorized payments you set up (for example automatic payments for your mortgage, auto insurance, or to pay other recurring monthly expenses) will help you to know what other transactions might still post against your account. For information about how and when we process these different payment types, see the “*Transaction Posting Order*” subsection above.

Deposited Funds Availability – Knowing when funds you deposit will be made available for withdrawal is another important concept that can help you avoid being assessed fees or charges. Please see our [Funds Availability Policy](#) for information on when different types of deposited items will be made available for withdrawal. You may find this disclosure at www.thatsmybank.com/Funds_Availability_Policy. You can ask us at the time of your deposit when the deposited funds will be made available for withdrawal. A deposited item may be returned from the paying bank after the funds from your deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item.

How A Temporary Debit Authorization Hold Affects Your Account Balance. On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time authorization is requested. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, or hotel rooms. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of AVAILABLE funds in your account for other transactions will be reduced by the amount of the temporary hold.

Deposit Agreement. The Deposit Agreement, Terms & Conditions of Your Deposit Account, Additional Deposit Account Terms & Condition and Schedule of Fees and Charges (collectively referred to as “Deposit Agreement and Fee Schedule”), which were provided to you at the time you established your First Northern Bank account, generally control the duties, obligations, and rights you and any authorized signers on the account have, as well as our duties, obligations, and rights with regard to your checking account. However, this document “First Northern Bank Overdraft (ODP) Service Policy” (and all amendments thereto) shall control if a conflict arises between any provision of this document and the Deposit Agreement and Fee Schedule. We will provide you additional copies of these documents upon your request.

Limitations. We reserve the right suspend, revoke, or discontinue the services described in this document at any time without prior notice. When you use our overdraft services, you agree that we will not be liable to you for any loss or damage based on a claim that you relied on us to pay any and all transactions which would overdraw your account. Except as otherwise required by law, you further agree to indemnify and hold us harmless from any such claims for loss or damage made by any other person.

If you have any questions, please call 1-877-362-6000 or visit one of our branches.