

First Federal Bank of Kansas City Overdraft Program

Policy

It is the policy of our Bank to comply with applicable laws and regulations, and to conduct business in accordance with applicable safety and soundness standards. An insufficient funds available balance may result from:

- Payment of checks, in person withdrawals, ATM withdrawals, debit card transactions, preauthorized automatic debits, telephone-initiated transfers, other electronic transfers or by other electronic means
- Payments authorized by you
- Return of unpaid items deposited by you
- Assessment of the bank service charges
- Deposit of items which according to the Bank's Funds Availability Policy are treated as not yet "available" or finally paid

We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. An available balance calculates an account's balance based on electronic transactions that the Bank has authorized (and therefore are obligated to pay – such as Point of Sale transactions) but not yet settled. An available balance also reflects holds on deposits that have not yet cleared.

Courtesy Overdraft Coverage Program

Rather than automatically returning, unpaid, any insufficient fund items that you may have, if your eligible account has been maintained in good standing, we will consider – as a discretionary courtesy or service and not a right of yours nor an obligation on our part – approving your reasonable overdrafts with using First Federal Bank of Kansas City's Courtesy Overdraft Coverage Program. An eligible account in good standing includes at least:

- Continuing to make deposits consistent with your past practices
- You are not in default on any loan obligation to First Federal Bank of Kansas City
- You bring your account to a positive balance (not overdrawn) at least once every seven (7) calendar days
- Your account is not the subject of any legal or administrative order or levy

This Courtesy Overdraft Coverage Program simply means that should you inadvertently overdraw your account, we have the option to cover your overdrafts at our discretion up to \$1,000 depending upon the longevity and 12-month rolling average balance of your account. The Courtesy Overdraft Coverage limit can change daily based upon the above noted criteria. This Courtesy Overdraft Coverage limit will not be reflected in the available account balance obtained through the use of the ATM, the phone information line, or digital banking.

It is important to keep an accurate account register reflecting all transactions to ensure sufficient funds are available in your account before initiating additional transactions. Checks are not paid if paying the item would exceed the available Courtesy Overdraft Coverage limit. Of course, any and all bank fees and charges, including without limitation on insufficient funds/overdraft fees (as stated in the Service Fee Schedule) will be included in these limits.

The Courtesy Overdraft Coverage processing is automated. All items post automatically to accounts as long as they remain within the Courtesy Overdraft Coverage limits. Daily, transactions \$10.01 or greater will be assessed a \$35 fee (which could result in multiple fees being charged against the account). Fees assessed for covering overdrafts, as well as the amount of the overdraft item, will be subtracted from any Courtesy Overdraft Coverage limit. Once the Courtesy Overdraft Coverage limit has been reached, items are returned and a \$20 fee will be assessed for transactions \$10.01 or greater. Items are processed as follows:

- ATM and point of sale transactions post as received
- ACH items are posted in the order received by opening of each business day
- Checks are presented daily (Monday thru Friday) and clear through processing in the order that they are received
- Debit card transactions post in the order in which they are received

A \$35 fee is charged for each debit card transaction \$10.01 or greater that is approved using the Courtesy Overdraft Coverage Program or insufficient at the time of posting. This is determined at the time the transaction is authorized and the hold is placed on the account. We may suspend the Courtesy Overdraft Coverage if your account remains negative for seven (7) consecutive calendar days or we may refuse to pay an overdraft for you at any time, even though your account is in good standing and even though we may have previously paid overdrafts for you. You will be notified by mail of any non-sufficient fund items paid or returned that you may have; however, we do not have any obligation to notify you before we pay or return any item. The amount of any overdrafts plus our non-sufficient funds and/or overdraft fee(s) that you owe us shall be due and payable upon demand. If there is an overdraft paid by us on an account with more than one (1) owner, each owner (and agent if applicable), drawing or presenting the item creating the overdraft shall be jointly and severally liable for such overdrafts plus all assessed fees. A maximum of three (3) insufficient fund fees can be assessed per account per business day (excludes Saturday, Sunday and Federal Holidays).

Limitations

The Courtesy Overdraft Coverage Program does not constitute an actual or implied agreement between you and the Bank. Nor does it constitute an actual or implied obligation of or by the Bank. This service represents a purely discretionary courtesy or privilege that the Bank may provide to you from time to time and which may be withdrawn or withheld by the Bank at any time without prior notice, reason or cause.

Savings Overdraft Protection

As an alternate product offering, a customer may consider First Federal Bank of Kansas City's Savings Overdraft Protection. This is a service provided in which the customer has authorized the transfer of funds from their Savings or Money Market account to cover an overdraft. A service fee will be assessed for each business day this service is used as stated in the Service Fee Schedule.

Overdraft Program Fees

See First Federal Bank of Kansas City Service Fee Schedule for fees associated with insufficient funds and/or overdrafts.