

Standard Overdraft Honor Questions and Answers

What is Standard Overdraft Honor? Standard Overdraft Honor is MemoryBank's discretionary overdraft program. When you open a new account or all accountholders reach the age of 18, provided your account is eligible for the Program and is in good standing as described in the Standard Overdraft Honor Program Rules and Restrictions, you will receive a \$100 fixed Overdraft Honor Limit for the first 30 calendar days. After the first 30 calendar days, provided your account remains in good standing, your Overdraft Honor Limit will be reviewed each business day and may vary between \$0 and \$2,000 daily, based on your deposit behavior and account history. If at any time your account is no longer in good standing, your participation in the Standard Overdraft Honor Program will be terminated, and if your account is in the Standard Overdraft Honor Program with Authorization, your authorization provided to us to authorize and pay ATM and one-time debit card transaction will be revoked.

If an Item is processed by us and your account does not have sufficient funds, we are under no obligation to pay the Item. However, under the Standard Overdraft Honor Program, our policy is to pay those Items when there are not sufficient funds, up to the Overdraft Honor Limit on your account. Please see the Standard Overdraft Honor Program Rules and Restrictions for more information. We will assess an Overdraft Fee of \$36 per Item paid up to a maximum of 5 items per business day. In the event the Overdraft Honor Limit is exceeded, the Bank may return Items. A Returned Item Fee of \$36 per Item may be assessed for up to the first 10 Items that are returned unpaid each business day.

How will Standard Overdraft Honor benefit me? Our Standard Overdraft Honor Program Rules and Restrictions explain how we make overdraft payment decisions. In the event that something unexpected happens, such that your account does not have sufficient funds to cover your Items, our payment of Items may help you avoid possible additional third-party costs associated with the inconvenience of returned Items.

Will my Overdraft Honor Limit be used to authorize and pay ATM and one-time debit card transactions if I have insufficient funds in my account at the time of the transaction? If you want us to use your Overdraft Honor Limit to authorize and pay ATM and one-time debit card transactions you need to notify us. You can contact us toll-free at 1-877-757-3400 or login to your online banking account at www.mymemorybank.com to locate this form under the Manage my MemoryBank section to activate this service for your ATM and one-time debit card transactions. ATM and one-time debit card transactions will not be authorized against your Overdraft Honor Limit if we do not have your authorization on file (Standard Overdraft Honor without Authorization). Your authorization to use the Overdraft Honor Limit to authorize and pay ATM and one-time debit card transactions when you do not have sufficient funds at the time of transaction may result in applicable fees listed above and in the Account Rules. Regardless of whether we have your authorization on file, recurring debit card transactions may be charged the applicable fees.

What is the difference between one-time and recurring debit card transactions? One-time debit card transactions represent any single purchase transaction, while recurring transactions represent pre-authorized scheduled payments you have authorized by providing your debit card or debit card number to a merchant for goods or services. We rely on the merchant to code debit card transactions appropriately as recurring or non-recurring. Any recurring debit card transactions causing an overdraft will be assessed the \$36 Overdraft Fee.

Do I have to apply for the Standard Overdraft Honor Program? No. Standard Overdraft Honor is a program that applies to checking accounts that meet the requirements of our Standard Overdraft Honor Program Rules and Restrictions. If the requirements stated in the Overdraft Honor Rules and Restrictions are met, your account will be enrolled into the Standard Overdraft Honor Program. If you would prefer that your account have No Coverage (your account is not covered by Standard Overdraft Honor and an Overdraft Honor Limit would not be used to authorize and pay Items when you do not have sufficient funds) you may submit a written request to Overdraft Client Services at the address listed in the Overdraft Honor Rules and Restrictions by calling us toll-free at 1-877-757-3400. Please know that Overdraft and Returned Item Fees of \$36 per Item apply to your account even if you request No Coverage for your account. In addition, you may be subject to additional fees charged by your vendor/ merchant for returned Items.

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

What if I overdraw more than my Overdraft Honor Limit? In most instances, any item which exceeds your Overdraft Honor Limit will be returned and a \$36 Returned Item Fee will be assessed.

What is the difference between account Daily Balance, Current Balance and Available Balance? Your account Daily Balance and Current Balance represent your final balance at the end of each day after all Items have been processed. The term Daily Balance will be displayed on your monthly deposit statement and the term Current Balance will be displayed in your online and mobile banking applications. The Available Balance represents the previous day's account Daily/Current Balance adjusted for Items we have received during the business day.

How quickly do I have to deposit funds to cover my negative account balance? Our expectation is that you will deposit funds immediately to cover a negative account balance. Please be aware, some deposits may be subject to holds that may affect your Available Balance and Items could be declined or returned, and Overdraft or Returned Item Fees may be assessed if applicable.

How can I be alerted if my account has a low balance? We offer services that you may use to alert you of your account activity. These services may assist you to manage your account and to avoid any potential fees. These include:

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

Will my account balance reflect the correct amount I need to cover Items? Items come to us from many networks and sources at many different times during the day. Some items are posted to your account throughout the day, but others can't be posted until our nightly processing is complete. Only you know what items you have initiated before they get to us, so the best way to be aware of your account balance is to still keep track of it such as using a daily register.

Are there any ways to avoid these fees? The best way to avoid fees is to practice good account management and carefully keep track of your transactions so you always know what you have available to spend or withdraw.

Standard Overdraft Honor Rules and Restrictions

These Rules and Restrictions apply to any checking deposit accounts provided by MemoryBank, a division of Republic Bank & Trust Company (hereafter referred to as "Bank", "we", "us" or "our") and describe how we authorize, process, and pay transactions under our Standard Overdraft Honor Program (also referred to as "Standard Overdraft Honor" or "Program"). The terms "you" and "your" refer to accountholders.

Under this Program, references to your "Overdraft Honor Limit" involve instances where we may authorize and pay transactions (also referred to as "Items"), including checks, ATM withdrawals, debit card transactions, preauthorized automatic debits, internet banking transactions, telephone-initiated transfers or other electronic transfers up to the Overdraft Honor Limit over your account's Daily Balance. Until you choose to provide us with authorization to authorize and pay ATM and one-time debit card transactions, your account will be enrolled in our Standard Overdraft Honor without Authorization and we will not authorize and pay ATM or one-time debit card transactions using your Overdraft Honor Limit when you do not have sufficient funds. If you want us to use your Overdraft Honor Limit to authorize and pay ATM and one-time debit card transactions, you must provide us with your authorization. At that time, we will place your account into the Standard Overdraft Honor Program with Authorization. One-time debit card transactions include one-time non-recurring point of sale purchases. This does not include a recurring debit card transaction, which is a transaction that is debited from your account on a regular scheduled basis that you authorized by providing your debit card or debit card number to a merchant for goods or services. We rely on the merchant to code debit card transactions appropriately as recurring or non-recurring.

The Overdraft Honor Limit provided under the Standard Overdraft Honor Program is not a line of credit. The Standard Overdraft Honor Program is a discretionary program and not a contractual right or obligation guaranteed to you. We may authorize and pay transactions for Items when you do not have sufficient funds, up to your Overdraft Honor Limit. Standard Overdraft Honor is not available for Personal Trusts, accounts with Representative Payees, or for all Money Market Accounts. Standard Overdraft Honor is also not available until all accountholders have reached the age of 18. Your account must also be in good standing, which may include, but is not limited to, any or all of the following criteria, subject to change without notice:

- You are not in default on any loan or other obligation to us.
- Your account is not subject to any legal or administrative order or levy.
- Your account has not been included in a bankruptcy.
- You are not currently repaying an overdraft to us under the New Start Repayment Program.

When you open a new account or all accountholders reach the age of 18, provided your account is in good standing as described above, you will receive a \$100 fixed Overdraft Honor Limit for the first 30 calendar days. After the first 30 calendar days, provided your account remains in good standing, your Overdraft Honor Limit will be reviewed each business day and may vary between \$0 and \$2,000 daily, based on your deposit behavior and account history. If at any time, your account is no longer in good standing your participation in the Standard Overdraft Honor Program will be terminated, and if applicable your authorization provided to us to authorize and pay ATM and one-time debit card transaction will be revoked.

An Overdraft Fee of \$36 may be assessed for each Item that is authorized and paid when you do not have sufficient funds in your account. If you have requested Standard Overdraft Honor with Authorization, and if we authorize and pay an ATM or one-time debit card transaction using your Overdraft Honor Limit when you did not have sufficient funds, then you will be subject to the \$36 Overdraft Fee for each ATM or one-time debit card transaction authorized and paid for using your Overdraft Honor Limit. Under the Standard Overdraft Honor Program (with or without Authorization), the Overdraft Fee of \$36 per Item may be assessed for up to the first 5 Items that we pay each business day using your Overdraft Honor Limit. If Items we have authorized and paid result in your account's Daily Balance being overdrawn by less than \$4, the Bank will not assess a \$36 Overdraft Fee for the Item(s) which caused the overdrawn Daily Balance. In the event your Overdraft Honor Limit is exceeded, the Bank may return Items and may assess a \$36 Returned Item Fee for each Item which is returned. Under the Standard Overdraft Honor Program (with or without Authorization), the Returned Item Fee of \$36 per Item may be assessed for up to the first 10 Items that are returned each business day.

If your account has No Coverage (you have either elected not to participate in the Standard Overdraft Honor Program, we have terminated your participation in the Standard Overdraft Honor Program because your account is not in good standing as outlined above, or your product is otherwise not eligible for the Program), the Overdraft Fee and the Returned Item Fee may still apply to your account. If the Bank pays an Item that overdraws your account, Overdraft Fees would apply, with the exception of one-time debit card and ATM transactions. It is our policy to charge a Returned Item Fee of \$36 per Item, and return all returnable Items presented for payment if funds are not available. For accounts that have No Coverage, the limits of 5 Overdraft Fees per day and 10 Returned Item Fees per day do not apply to your account.

To determine your account Daily Balance, it is our practice to process account activity each evening for Items, including checks, ATM withdrawals, debit card transactions, preauthorized automatic debits, internet banking transactions, telephone-initiated transfers or other electronic transfers ("Items"), received during that business day. All deposits and other credits excluding interest earned are processed first followed by the processing of all debits each business day. Once all deposits and other credits are processed, interest and debits are processed in groups and in the following order:

1. ACH Items such as preauthorized automatic debits and checks converted to ACH Items are processed in the order of lowest to highest dollar amount.
2. Checks without a check number are processed in the order of lowest to highest dollar amount followed by checks processed in check number order beginning with the lowest check number to the highest check number.
3. Transactions resulting from the use of your debit or ATM card including ATM withdrawals, point-of-sale debit card transactions and recurring debit card transactions, and internal account transfers are batched together and processed in the order of lowest to highest dollar amount.
4. All Bank fees and service charges will be assessed.
5. Any ACH items that are paid based on the Banks discretionary decision when there are insufficient funds in your account to cover the ACH items. These decisions may be made outside of the Standard Overdraft Honor Program. These ACH Items will post lowest to highest dollar amount.
6. Any Check Items that are paid based on the Banks discretionary decision when there are insufficient funds in your account to cover the Check Items. These decisions may be made outside of the Standard Overdraft Honor Program. Checks without a check number are processed in the order of lowest to highest dollar amount followed by checks processed in check number order beginning with the lowest check number to the highest check number.
7. Any interest earned.

If your Overdraft Honor Limit is not sufficient to pay an Item, smaller subsequent Items may be paid in the transactional order outlined above from the Overdraft Honor Limit.

Below is an example of how our processing order may affect your account.

In this example, your beginning Available Balance is \$100. If in one business day you make the following deposits and the following Items are due for payment, and your account is in the Standard Overdraft Honor Program with Authorization (if you have provided us with your affirmative consent to authorize and pay ATM and one-time debit card transactions using your Overdraft Honor Limit), your account would be adjusted as follows:

Item Processed	Item Amount	Daily Balance After Processing
Deposit	\$100	\$200
ACH Debit	(-\$100)	\$100
Check Debit (No Number)	(-\$50)	\$50
Check #001	(-\$250)	(-\$200)
Check #003	(-\$50)	(-\$250)
ATM Withdrawal	(-\$80)	(-\$330)
Overdraft Fees	(-\$108)	(-\$438)
Interest Earned	\$.50	(-\$437.50)

The above transaction sequence would result in three Overdraft Fees totaling \$108: one \$36 Overdraft Fee per Item for each Item which was paid using your Overdraft Honor Limit because your account did not have sufficient funds. The three Items for which an Overdraft Fee would be assessed are Check #001 in the amount of \$250, Check #003 in the amount of \$50, and the ATM Withdrawal of \$80. After all Items have been processed, the final amount in your account would be considered your Daily Balance for that business day.

If an Item is presented for payment on your account and you do not have sufficient funds to pay that Item, pursuant to your Account Rules you agree to pay us the amount of any negative balance along with any applicable fees immediately, without notice or demand from us. Each person on your account is jointly and severally responsible under the Account Rules for paying any amounts due us. It is our policy to operate in accordance with all applicable regulatory safety and soundness standards. Your Account Rules sets out your duties, obligations and rights with regard to your account. Your Account Rules shall control in the event of any conflict between this Overdraft Honor Rules and Restrictions and your Account Rules. If an account is overdrawn in excess of forty-five (45) days the Bank will review it to assess whether it should be charged off. All charged off accounts are reviewed by the Bank's Collections Department to determine further action. Accounts charged off are reported to ChexSystems.

You can call us toll free at 1-877-757-3400 to obtain your Overdraft Honor Limit.

To have your account removed from the Standard Overdraft Honor Program or to revoke your authorization to cover ATM and one-time debit card transactions please submit your request in writing to:

Overdraft Client Services MemoryBank 601 West Market Street Louisville, KY 40202
Or contact us, toll-free, at 1-877-757-3400.