



Discretionary Overdraft Privilege Policy

It is the policy of Bank Iowa to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Deposit Account Agreement and Disclosure provided to you at the time you opened your account controls the duties, obligations and rights of the Depositor, the Authorized Signatories and Bank Iowa with regard to your checking account. The Deposit Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Overdraft Privilege Policy and the Deposit Account Agreement and Disclosure. A copy of the Deposit Account Agreement and Disclosure is available to you upon request from your local Bank Iowa branch.

Overdraft Privilege is not a line of credit. Bank Iowa is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by Bank Iowa of an overdraft check (or item, such as an ATM withdrawal) does not obligate Bank Iowa to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

Bank Iowa has a specific processing order so transactions may not be processed in the order in which they occurred, or in the order in which they are received. This processing order can affect the total amount of overdraft fees incurred.

Overdraft Privilege will be extended to you if your consumer account (primarily used for personal and household purposes) has been open for at least thirty (30) days, or if your commercial account has been open for at least sixty (60) days, and thereafter you maintain your account in “good standing,” as defined below. This privilege for consumer checking accounts will generally be limited to a maximum of \$500 overdraft (negative) balance and limited to a maximum of \$700 overdraft (negative) balance for commercial accounts.

Your account will be considered to be in “good standing” if you meet all of the following criteria:

- You deposit into your account an amount equal to or more than the amount of the Discretionary Overdraft Privilege generally considered as noted above within each thirty (30) day period
- There has been no more than two (2) returned items since account opening
- You bring your account to a positive balance within every (30) day period for a minimum period of 24 hours
- You are not in default on any loan or other obligation to Bank Iowa
- You are not subject to any legal or administrative levy

Bank Iowa will have the discretion to pay overdrafts within the Overdraft Privilege limits, but payment by Bank Iowa is a discretionary courtesy and not a right of the customer or an obligation of Bank Iowa. Any and all fees and charges, including, without limitation, the overdraft fees (as set forth in our fee schedules and Deposit Account Agreement and Disclosure) will be included as part of this maximum amount. It may be possible that your account will become overdrawn in excess of the Overdraft Privilege amount as a result of the assessment of a \$27.50 overdraft fee(s).

In addition to the Overdraft Privilege extension to your account, Bank Iowa may choose to pay additional items that would cause your account to become further overdrawn than this privilege typically allows.

The following are factors that Bank Iowa takes into consideration when making discretionary decisions to pay or return items that overdraw your account in excess of your Overdraft Privilege limits:

- History of overdrafts, including amount, frequency, number and length of time to return the account to a positive standing
- History of deposits, including automated or direct deposits with regard to frequency and amount in relation to current account standing
- Length of relationship with Bank Iowa
- Status of other accounts held with Bank Iowa, including accounts that you are a direct relation to (either owner or joint owner), and loan payment history if applicable
- Financial impact of continued overdrafts to you as a consumer

The total of the Discretionary Overdraft Privilege (negative) balance, including any and all fees and charges, is due and payable upon demand. All account owners will continue to be liable, jointly and severally, for all such amounts, as described in the Deposit Account Agreement and Disclosure. Our standard overdraft fee of \$27.50 will be imposed for each overdraft created by checks, ACH, ATM withdrawals, everyday debit card transactions, in-person withdrawals, or by other electronic means. We will charge up to six fees each day for overdrawing your account. Bank Iowa, in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

Notice to our consumer customers:

Bank Iowa will not pay overdrafts for ATM or everyday debit card transactions unless Bank Iowa has provided you with the notice required by section 205.17(b) of Regulation E and you have opted-in to the payment of these overdrafts. In order to avoid overdrafts due to ATM and everyday debit card transactions, Bank Iowa will place a hold on your account for any ATM or everyday debit card transaction authorized until the transaction settles. ATM and everyday debit card transactions usually settle within two business days after the transaction is authorized. The amount of the hold will be for the amount authorized, or as permitted under applicable payment network rules. Holds on authorized ATM and everyday debit card transactions will be removed prior to settlement where required by applicable payment network rules.

Under Regulation E, you may provide the bank an affirmative opt-in notification to authorize and pay overdrafts on your ATM and everyday debit card transactions. Discretionary Overdraft Privileges will still apply to non-sufficient funds checks, re-occurring debits, ACH debits, preauthorized or telephone or internet transactions within your Overdraft Privilege limits.

In addition, for both consumer and commercial accounts, you also have the right to completely opt out of the Discretionary Overdraft Privilege Program altogether and advise us not to pay any overdrafts. Please be advised that by opting out of this program, it may still be possible to incur fees in accordance with our fee schedule for returned items as a result of an overdrawn account.

Bank Iowa does offer alternative overdraft solutions that you may qualify for, including a line of credit. If you have questions regarding any of these alternative services, or if you wish to opt out of the Discretionary Overdraft Privilege Program, please contact Bank Iowa.