

Preventing and Managing Overdraft Fees

We appreciate your checking account at Blissfield State Bank and want the relationship to be beneficial both to you and to the bank. To help in this matter, we are pleased to present the following guidance and options for preventing and managing overdraft fees:

- 1. Watch your balance and transactions.** Keep track of the money you deposit into and withdraw from your account. The best way you can do this is with a check register--available at either of our offices. Remember to record all deposits and all debits, including ATM and debit card transactions, paper checks, and other electronic debits from your account. Also record interest, service charges, and any fees that may apply. Then keep an accurate running balance after each transaction. It may be helpful to keep a cushion of funds in your account, if you are able, to help prevent unintended overdrafts. If you need help maintaining your checking register, our accounting department can help you. Keep in mind that paper checks clear much sooner than they used to since they are now transferred from bank to bank electronically. Also, if you check your balance using an ATM, our telephone banking, or internet banking products, be aware that these systems, though very useful, cannot "know" the transactions that are outstanding for your account. That is why keeping an accurate register and being sure that funds are deposited before checks or other debits are generated is so important.
- 2. Set up a sweep from a savings account.** For occasional overdrafts, you can link your checking account to a savings account so that, when debits are presented to your checking account that would cause it to be overdrawn, we can "sweep" (transfer) funds from your savings account to cover the debits in the checking account. The transfers normally occur in increments of \$100 and are limited to the amount of funds in the savings account. The fee for a sweep is currently \$5--much less than an overdraft fee. There is a federally-regulated limit of 6 electronic debits per month (ATM, sweep, pre-authorized debits) from a savings account.
- 3. Apply for an overdraft line of credit loan.** For occasional overdrafts, you can apply for an overdraft line of credit (subject to credit approval). This is "attached" to your checking account. When debits are presented to your checking account that would cause it to be overdrawn, we deposit funds into your checking account (normally in increments of \$100) and advance them to your overdraft line of credit. The line of credit is assessed interest, but this cost is less than an overdraft fee.
- 4. Apply for a small loan.** Like the line of credit loan, this requires a credit application and is subject to credit approval.
- 5. Consider whether Overdraft Privilege is right for you.** Our checking accounts come with a courtesy Overdraft Privilege limit ranging from \$250 to \$1000. This allows you to overdraw your account within the limit and is subject to our standard overdraft fee. This can be useful for occasional overdrafts since it can save the embarrassment of checks and other electronic debits being returned or having ATM or debit card transactions denied. However, it can be costly for frequent overdrafts. If you do not want Overdraft Privilege on your account, let us know but be aware that transactions may be returned and ATM/Debit card transactions denied when there are insufficient funds in your account. Consumer accounts have the additional option of having Overdraft Privilege but limiting it only to checks and electronic debits other than ATM and one-time debit card transactions. You must opt-in to have ATM and one-time debit card transactions covered by Overdraft Privilege. You can opt-in or opt-out of this part of Overdraft Privilege at any time by calling us, telling us when you are in either of our offices, or filling out a form available in either of our offices. Again, if you opt-out, be aware that ATM and debit card transactions may be denied when there are insufficient funds in your account.

