



OVERDRAFT PROTECTION DEBIT CARD ENROLLMENT

WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT CHARGES

An overdraft occurs when you do not have enough money in your account to cover a transaction, and we pay it anyway.

WHAT OVERDRAFT PRACTICES COME WITH MY ACCOUNT?

If you are enrolled in Overdraft Protection Coverage, we may, at our discretion, authorize and pay overdrafts for certain types of transactions, including checks, ACH transactions, recurring debit card transactions, and teller transactions. Overdraft Protection Coverage is not a line of credit, and we are not required to pay any overdraft or guarantee that any transaction will be paid.

We determine whether sufficient funds are available based on your Available Balance, and we do not authorize and pay overdrafts for ATM and everyday (one-time) debit card transactions unless you ask us to.

We offer other ways of covering your overdrafts that may be less expensive, such as linking your account to another account (Overdraft Protection with Linked Accounts) or using a pre-existing overdraft line of credit.

WHAT FEES WILL I BE CHARGED IF FLAGSTAR BANK PAYS MY OVERDRAFT?

If we pay an overdraft using Overdraft Protection Coverage (including Overdraft Protection Debit Card), we may charge an Overdraft Charge of **\$30** per Item.

- We will not charge more than three Overdraft Charges per Business Day (up to \$90 per day).
- We will not assess an Overdraft Charge on any transaction that causes your account to be overdrawn by \$10 or less (Small Amount Exception).
- If your Available Balance was sufficient at the time a one-time debit card transaction was authorized, we will not assess an Overdraft Charge for that transaction (Authorized Positive Exception) even if your account is overdrawn at the time it is paid.
- If your Available Balance continues to be negative by any amount for 60 or more consecutive days, we will close your account. If your account is closed with a negative balance, a Charge-Off Fee in the amount of **\$30** may be assessed.

Overdraft Charges can add up quickly if multiple transactions are paid while your account is overdrawn.

WHAT IF I WANT FLAGSTAR BANK TO AUTHORIZE AND PAY OVERDRAFTS ON MY ATM AND EVERYDAY DEBIT CARD TRANSACTIONS?

If you want us to authorize and pay ATM and everyday (one-time) debit card transactions that exceed your Available Balance, indicate 'Yes' by checking the box, fill out the information as follows, and sign below where indicated.

☐ YES - I authorize Flagstar Bank to pay overdrafts on my ATM and everyday (one-time) debit card transactions for this account.

Print Name: _____ Signature: _____

Date: _____ Account Number: _____

By signing above, you acknowledge your selection and provide your consent for ATM and everyday (one-time) debit card overdraft services (Overdraft Protection Debit Card), effective on the earliest available date of activation.

If you do not opt in, ATM and everyday (one-time) debit card transactions will decline if you do not have sufficient funds.

Your selection applies only to ATM and everyday (one-time) debit card transactions. This consent is separate from your enrollment in Overdraft Protection Coverage for other types of transactions.

You may remove Overdraft Protection Debit Card from your account at any time. Please contact us at (888) 248-6423, visit a branch, or use a similarly authenticated electronic means used for enrollment.

If you would like to enroll in Overdraft Protection Debit Card, you may do so using one of the following methods:

1. **Self-Enrollment Online:** If available, you may use your online banking accessed via flagstar.com
2. **Mail the form to:** Flagstar Bank, Mail Stop 4-318, 301 W Michigan Ave., Jackson, MI 49201-9987
3. **Visit a branch:** Visit flagstar.com/locator to find your nearest branch.



Overdraft Protection Coverage Terms and Conditions

Overview

This Overdraft Protection Coverage Terms and Conditions document ("Agreement") governs overdraft and non-sufficient funds (NSF) practices for your deposit account.

This Agreement should be read together with the Terms and Conditions of Your Account, Fee Schedule, and Funds Availability Disclosure. Other capitalized terms used in this document not otherwise defined shall have the meanings ascribed to such terms in the Terms and Conditions of Your Account document. In the event of a conflict, the Terms and Conditions of Your Account will dictate, unless otherwise stated.

Overdraft Protection Coverage is a discretionary service we offer and is not a line of credit. We may, but are not required to, pay Items that exceed your Available Balance. We apply our overdraft payment practices using consistent, objective criteria; however, payment of any Item is not guaranteed. You should not rely on this service to cover transactions or avoid declined or returned Items.

How Overdraft Protection Coverage Works

Overdraft Protection Coverage is a service under which we may, at our discretion, pay Items that exceed your Available Balance and assess an Overdraft Charge, rather than declining or returning the Item unpaid.

We may decline or return any Item at our discretion, based on our standard criteria and risk consideration, even if:

- Your account is in Good Standing.
- The Item is within your Overdraft Protection Coverage limit.
- We have previously paid similar Items.

We may consider factors such as your account status and Overdraft Protection Coverage limit when deciding whether to pay an Item, but we are not obligated to do so. Payment of any Item is not guaranteed.

Items that would cause your account to exceed your Overdraft Protection Coverage limit may be returned unpaid.

"Good Standing," for the purposes of Overdraft Protection Coverage, means you (1) deposit sufficient funds to bring your account to a positive Balance of at least \$0.01 (after payment of all bank fees and charges) by the end of a Business Day and that Balance remains at or above \$0.01 through the end of the next Business Day at least once every 30 calendar days, (2) avoid excessive overdrafts, and (3) have no legal orders, levies, or liens against your account.

Transactions That May Be Covered

We may pay the following types of transactions using Overdraft Protection Coverage:

- Withdrawals from a Flagstar Teller, checks, recurring debit card transactions,* ACH–Auto Debit transactions, Online Bill Pay, and Zelle®. Not included are Online Banking Transfers, Telephone Banking, and/or Wire Transfers.

*ATM and everyday (one-time) debit card transactions are not covered by default and are described below.

Overdraft Protection Debit Card (Optional Service)

Overdraft Protection Debit Card allows us to pay overdrafts for ATM and everyday (one-time) debit card transactions.

- You must provide affirmative consent (opt in)
- You may revoke your consent at any time.
- You must have Overdraft Protection Coverage to enroll.
- If Overdraft Protection Coverage is removed, this service will also be removed.

If you opt in, we will assess an Overdraft Charge for each covered transaction we pay, subject to applicable exceptions

described in this Agreement. Certain rights and protections related to debit card transactions apply only to consumer accounts.

Overdraft Protection with Linked Accounts and Other Overdraft Options

You may reduce or avoid Overdraft Charges by using:

- Overdraft Protection with Linked Accounts (such as savings accounts)
- A pre-existing overdraft line of credit

These alternatives may be less expensive than Overdraft Charges depending on your usage. If you have a Linked Account or other overdraft option, we generally use those funds before using Overdraft Protection Coverage; however, we are not required to do so in every instance and may apply our standard processing order and system limitations. If your Linked Account earns interest, transferring funds to prevent an overdraft could result in earning less interest. You should decide whether this amount would be greater than the Overdraft Charges you anticipate you would avoid. You may request our Truth-in-Savings Disclosures for the type of linked account you propose to use to obtain information regarding how interest is determined and any minimum Balance or other requirements to earn interest. If those funds are not sufficient to cover an Item, we may use Overdraft Protection Coverage for the remaining amount.

You may direct the order in which these options are applied. You may change or remove these options by visiting a branch or accessing your online banking.

Example (Linked Account Covers Item in Full):

If your Available Balance is \$10 and a \$50 Item is presented for payment, and \$40 is transferred from your linked account to cover the Item in full, we will not assess an Overdraft Charge.

Example (Partial Coverage Using Linked Account and Overdraft Protection Coverage):

If your Available Balance is \$10, a \$50 Item is presented for payment, and \$20 is transferred from your linked account, we may use Overdraft Protection Coverage to pay the remaining \$20. In that case, an Overdraft Charge may be assessed because Overdraft Protection Coverage was used.

When Fees Apply

You agree to pay applicable fees, including but not limited to Overdraft Charges. Refer to the Fee Schedule for the most current fee amounts and additional details.

In general, an Overdraft Charge applies only in those circumstances when we pay an Item using Overdraft Protection Coverage that exceeds your Available Balance, unless an exception described in this Agreement applies. We do not charge fees for Items that are declined or returned unpaid due to non-sufficient funds (NSF).

We will not assess Overdraft Charges for ATM or one-time debit card transactions unless you have opted into Overdraft Protection Debit Card.

Example (When an Overdraft Charge Applies):

If your Available Balance is \$20 and we pay a check for \$50 using Overdraft Protection Coverage, your account will be overdrawn and an Overdraft Charge may be assessed for that Item, unless an exception described in this Agreement applies.

Overdraft Charge

- \$30.00 per Item
- Maximum of three charges per Business Day (up to \$90.00 per day)

We may assess an Overdraft Charge when we pay an Item that causes or increases an overdraft.

Example:

If we pay three Items using Overdraft Protection Coverage on the same Business Day that exceed your Available Balance, you will be charged three Overdraft Charges, up to the daily limit described above (see "Exceptions to Overdraft Charges" for circumstances where this does not apply). If we pay additional Item(s) later that same Business Day in the same manner, no further Overdraft Charges will be assessed because the daily maximum has already been reached.

Exceptions to Overdraft Charges

We will not assess an Overdraft Charge in certain circumstances, including:

- **Authorized Positive Transaction Exception** – We will not assess an Overdraft Charge for ATM or one-time debit card transactions if your Available Balance was sufficient at the time the transaction was authorized and a Temporary Debit Authorization Hold was placed for that transaction.

Example (Authorized Positive Transaction): If your Available Balance is \$100 and you make a one-time debit card purchase for \$60, the transaction may be authorized, and a hold may be placed for \$60. If a separate transaction later causes your account to become overdrawn before the debit card transaction Posts, we will not assess an Overdraft Charge for that debit card transaction, even if your account has a negative Balance when it is paid.

- **Small Amount Exception** – An Overdraft Charge will not be assessed on any transaction that causes the account Balance to become overdrawn by \$10.00 or less.

Overdraft Protection Coverage Limits and Eligibility

Coverage Limits (By Type of Checking Account)

- Interest-bearing checking: \$1,000
- Private Platinum Checking: \$500
- Non-interest-bearing checking: \$500
- Business checking: \$500

If you have multiple qualifying accounts, a separate limit may apply to each eligible account. We may limit participation or discontinue this service at any time.

Eligibility Requirements

Overdraft Protection Coverage enrollment requires your affirmative consent, and that your account is in Good Standing. Overdraft Protection Coverage will not be activated until your account has been open for at least 60 calendar days, and you have made deposits in an aggregate amount equal to or greater than the applicable Overdraft Protection Coverage limit.

Ineligible Accounts and Ownership Types

Overdraft Protection Coverage is available to individually/jointly owned or certain business accounts in Good Standing. It is not available for certain account types or ownership structures, including, but not limited to savings accounts, money market accounts, certificates of deposit, IRAs, HSAs, trusts, fiduciary, estates, accounts owned by a Minor, and certain business entities such as IOLTA, Municipal, Financial Institutions, Corporations, Business Sweep and/or those associated to/with any of these account types or ownership structures.

Transaction Processing, Available Balance, and Authorization

Transactions are generally processed and Posted on the Business Day they are received. Transactions presented for payment to your account are generally Posted in the order received on that day (Day 1).

Transactions may be grouped and processed by type. These types may include, but are not limited to, in-clearing Items (such as checks) and Automated Clearing House (ACH) transactions. Within each group or file, Items may be processed in the order determined by our processing systems.

Transactions may not be processed in the same order in which they occur and may be Posted either on the day they are received or on a later Business Day. The order in which transactions are processed can affect whether Items are paid or returned and may result in additional overdrafts and Overdraft Charges if your account does not have sufficient funds. In some cases, multiple overdraft charges may be assessed in a single day; however, no more than three overdraft charges will be charged per day. We generally determine whether your Available Balance is sufficient at the time an Item is presented for payment. We are not required to make this determination more than once.

You are responsible for maintaining a sufficient Available Balance in your account.

Authorization of a transaction (such as a debit card purchase) does not guarantee that sufficient funds will be available when the transaction is presented for payment.

Your Available Balance may change throughout the day as transactions are authorized, processed, or Posted.

Temporary Debit Authorization Holds

When you use your debit card, a merchant may place a Temporary Debit Authorization Hold on your account.

- The merchant determines the amount of the hold.
- The hold may differ from the final transaction amount and may be higher or lower.
- The hold reduces your Available Balance.

Other transactions presented while a hold is in place may cause your account to become overdrawn.

Holds are typically released when the transaction Posts or within a short period of time (for example, up to 48 hours) if the transaction is not presented. A transaction may still Post after a hold is released. We may determine whether your Available Balance is sufficient to pay an Item at any point between (1) the time the Item is presented to us, or we receive notice regarding the Item and (2) the time the Item is paid or returned. We are not required to make this determination more than once. Generally, a subsequent determination cannot be made for ATM and one-time debit-card transactions. Please note that we rely on how your merchant codes a debit-card transaction to determine whether it is a "one-time" or a "recurring" transaction and will not perform an independent review.

Example: If you have \$100 in your Available Balance and a merchant places a \$75 hold, your Available Balance may be reduced to \$25. If another \$50 Item is presented for payment while the hold is in place and we pay it, your account may become overdrawn, and an Overdraft Charge may apply if we pay the Item using Overdraft Protection Coverage.

Account Monitoring and Alerts

You are responsible for monitoring your account and Available Balance.

If you are enrolled in Online or Mobile Banking, you may establish Balance alerts by email or text message. Alerts may not reflect all transactions immediately.

Suspension, Termination, and Account Closure

We may suspend or terminate your Overdraft Protection Coverage, including any Overdraft Protection Debit Card, or close your account at our discretion. This may occur if you no longer meet eligibility or Good Standing requirements, or if we suspect fraud, misuse, or other risk-related activity.

You are required to promptly repay any overdraft amount on your account, including all applicable fees, and return your account to a positive balance as described in this Agreement. We may apply any deposits to your account, including direct deposits, toward repayment of overdraft amounts before paying other items.

If your account remains overdrawn for 60 or more consecutive days, we may close your account. If your account is closed with a negative balance, a \$30.00 Charge-Off Fee may be assessed.

Failure to repay overdraft amounts may result in suspension or termination of Overdraft Protection Coverage, account closure, and/or collection activity. Upon demand, you must immediately repay all overdraft amounts owed, including applicable collection costs to the extent permitted by law.

Please refer to the Terms and Conditions of Your Account for additional information.

Changes to This Agreement

We may change the terms of this Agreement at any time as permitted by law. Changes will be provided in accordance with applicable notice requirements.

Questions and Opt-Out

If you have questions about Overdraft Protection Coverage or Overdraft Protection Debit Card, you may contact us through Online or Mobile Banking, by calling 888-248-6423, or by visiting a branch. You can remove Overdraft Protection Coverage or Overdraft Protection Debit Card from your account at any time. Please visit a branch or use a similarly authenticated electronic means used for enrollment.

If Overdraft Protection Coverage is removed, Overdraft Protection Debit Card will also be removed.