



# » DISCLOSURE GUIDE





## Checking Account Summary

This Checking Account Summary is intended to provide a convenient summary of the important terms of your checking account. This Checking Account Summary is not made in lieu of, or intended to supersede or replace, the Disclosure Guide. Certain words in this Account Summary have specific meanings that are designated in the Disclosure Guide. Some of those word terms include: Item; Business Day; Available Balance. Please review the Disclosure Guide carefully to understand the definitions for those words, as well as the other terms, conditions and disclosures with respect to a checking account.

### Common Features - Fee Schedule

Maintenance Service Charge (each)	varies by product
Money Order (each)	\$5.00
Wire Transfer — domestic incoming (each)	\$10.00
Wire Transfer — domestic outgoing (each)	\$30.00
Stop Payment Charge (each)	\$36.00
Non-Sufficient Funds (NSF) Charge (each)	\$36.00
Overdraft Charge (each)	\$36.00
Combined Limit of Non-Sufficient Funds Charges and Overdraft Charges	5 per day
Consecutive Days Overdrawn (OD) Fee	\$6.00
Charge-Off Fee (each)	\$30.00
Flagstar ATM Withdrawal, Deposit, Balance Inquiry, Transfer (each)	Free
Non-Flagstar Domestic ATM Withdrawal, Balance Inquiry, Transfer (each)	\$2.50
Non-Flagstar International ATM Withdrawal, Balance Inquiry, Transfer (each)	\$2.50
Exchange Rate Adjustment (Currency Conversion Factor) - POS or ATM (each)	3%
Linked Account (Deposit Overdraft (OD) Protection) transaction fee (one per day when one or more transfers occur between eligible deposit accounts). Please note, the fee may be assessed after 9 p.m. ET and will not happen directly after the transfer occurs. See the Linked Account (Deposit Overdraft Protection) section of the Terms and Conditions of Your Account disclosure for more details.	\$10.00

### Minimum Balance to Open

Minimum Balance to Open	\$50.00
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### Bounce Protection Overdraft Program

Bounce Protection is a service for our customers under which we may, in our discretion, pay an Item exceeding your Available Balance presented against your account and charge you an Overdraft Charge, instead of returning the Item unpaid and charging you a Non-Sufficient Funds Charge. Bounce Protection is not limited to payment of paper checks. Other transactions made using your account number (such as teller withdrawals, automatic ACH bill payments, and recurring debit card payments) may also be paid. Also, if you give us your specific consent, we may authorize and pay ATM transfers or withdrawals and everyday (non-recurring) debit card purchases that overdraw your account using Bounce Protection and charge you an Overdraft Charge.

### Overdrafts and Non-Sufficient Funds

Your account is overdrawn when your Available Balance is less than zero. If we pay an Item which exceeds your Available Balance, the transaction will be considered an overdraft transaction and your account will be considered overdrawn. Unless you have asked us not to pay Items that would cause your account to become overdrawn (and except as otherwise noted in this section and the Fee Schedule), we may assess an Overdraft Charge against your account if we pay an Item exceeding your Available Balance. Or, at our discretion, to avoid overdrawn or causing your account to become further overdrawn, we may return (i.e., not honor or reject) any Item that would cause your account to become overdrawn, or further overdraw your account. If we do not honor such an Item, the transaction will be considered a non-sufficient funds transaction and we may assess a Non-Sufficient Funds Charge against your account.

#### Exception for Small Amounts

We will not charge you an Overdraft Charge or Non-Sufficient Funds Charge (a) on any Item presented in the amount of \$5.00 or less; (b) if your account is overdrawn \$5.00 or less after we finish the process of Posting all debits and credits to your account on a Business Day; or (c) if we returned an Item and your account would be overdrawn \$5.00 or less after we finish the process of Posting all debits and credits to your account on a Business Day if we had instead paid the Item.

#### Exception for Intraday Deposits

We do not assess Overdraft Charges and Non-Sufficient Funds Charges until after 9 p.m. ET on each Business Day, which allows us to complete the process of Posting all debits and credits received by 9 p.m. ET. This is important to you because it allows you to avoid an Overdraft Charge or Non-Sufficient Funds Charge by making a Qualifying Overdraft Deposit (defined below) by 9 p.m. ET on the same Business Day.

To be a "Qualifying Overdraft Deposit", the deposit must be: (1) of funds with same-day availability under our Funds Availability Disclosure; (2) in an amount set forth in the next paragraph; (3) made to the overdrawn account; and (4) if the deposit will include cash or check, made at any of our branches up to the daily closing time of the branch on that Business Day, or at a full-service ATM located on the premises of one of our branches by 9 p.m. ET. A "full-service" ATM is an ATM that accepts deposits in addition to dispensing cash.

If Items exceeding your Available Balance were paid, the Qualifying Overdraft Deposit must be in an amount that, when all debits and credits to your account for that Business Day have been Posted, results in your Available Balance being overdrawn by no more than \$5.00. If Items exceeding your Available Balance were returned, the Qualifying Overdraft Deposit must be in an amount such that your account would have been overdrawn \$5.00 or less after we finish the process of Posting all debits and credits to your account on a Business Day if we had instead paid the Item.

A deposit made after 9 p.m. ET on a Business Day or made on a day that is not a Business Day is deemed to be made on our next Business Day.

## Posting Order of Items & Credits

The order in which Items are paid is important if there is not enough money in your account to pay all of the Items that are presented. The payment order can affect the number of Items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those Items and credits.

Our policy is to process all Items and credits in the order they are received. However, when Items or credits are received at the same time within the same file, credits will be processed first. Wire transfers, phone transfers, online banking transfers, in branch transactions, ATM transactions, debit card transactions, ACH transactions, bill pay transactions, and Items we are required to pay, such as returned deposited items, are processed next (but not necessarily in that order) as they occur on their effective date for the Business Day on which they are processed. We process checks and similar Items last, in the order in which they are received for the Business Day on which they are processed.

If an Item exceeding your Available Balance is presented for payment, we may, at our discretion, pay the Item (this would be considered an overdraft transaction) or return the Item (this would be considered a non-sufficient funds transaction). We will not charge you a fee for paying an ATM or everyday debit card purchases as overdraft transactions if this is a consumer account and you have not specifically consented to that service. The amounts of the Overdraft and Non-Sufficient Funds Charges are disclosed elsewhere (Fee Schedule), as are your rights to specifically consent to overdraft services for ATM and everyday debit card transactions, if applicable. We encourage you to make careful records and practice good account management. Record every transaction and keep a running total of your Available Balance and Balance and leave extra funds available for potential charges. This will help you to avoid creating Items without sufficient funds and potentially incurring the resulting fees.

We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. The payment order of Items can affect the total amount of Overdraft and Non-Sufficient Funds Charges incurred. Also, please be aware that the order we pay your Items may create multiple overdraft and/or non-sufficient funds transactions in a Business Day and you will be charged the applicable fees for each transaction, unless otherwise noted in the Terms and Conditions of Your Account.

## Availability of Funds

**Same Day Availability.** Funds from electronic direct deposits to your account will be available on the effective/settlement day of the deposit. The effective/settlement day may differ from the day we receive the deposit, in which case the deposit may show as "pending" until the Business Day the transaction is dated from the originating company or individual.

If you make a cash deposit in person to one of our employees, the funds will be available on the Business Day we receive the deposit.

**Next-Day Availability.** Funds from the following deposits are available on the first Business Day after the day of your deposit:

- ◆ U.S. Treasury checks that are payable to you
- ◆ Checks drawn on Flagstar Bank

If you make the deposit in person to one of our employees, funds from the following deposits are also available on the first Business Day after the day of deposit:

1. State and local government checks that are payable to you if you use a special deposit slip available from our tellers.
2. Cashier's, certified, and teller's checks that are payable to you if you use a special deposit slip available from our tellers.
3. Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second Business Day after the day we receive your deposit.

**Other Check Deposits Subject to Second-Day Availability.** The first \$225 from a deposit of other checks will be available by the first Business Day after the day of your deposit. The remaining funds will be available on the second Business Day after the day of your deposit.

**Longer delays may apply.**

## Additional Information

If you have inquiries regarding your account, please contact us at:

Flagstar Bank, Item Processing Department, 301 West Michigan Avenue Jackson, MI 49201

Customer Service (including lost/stolen card) call: U.S. & Canada: (888) 248-6423; International: (248) 312-2325



**BOUNCE PROTECTION OPT-OUT**

Name:	Account Number:
<b>BOUNCE PROTECTION OPT-OUT</b>	
<p>If your account is a personal checking account or a qualifying business checking account, Bounce Protection will be added to your account automatically once your account qualifies for Bounce Protection.</p> <p>You may elect not to have Bounce Protection added to your account by marking the boxes and signing below. You may apply to have Bounce Protection added to your account at any time. If Bounce Protection is added to your account, you may opt-out of Bounce Protection at any time.</p>	
<input type="checkbox"/> By checking the box, I am indicating I do not wish to have Bounce Protection applied to this checking account.	
<input type="checkbox"/> I have received a copy of Flagstar Bank's "Terms and Conditions of Your Account".	
Signature:	Date:

(Rev. 08-2018)

**Important Account Information For Our Account Holder(s) from**

**Flagstar Bank  
5151 Corporate Dr.  
Troy, MI 48098  
(888) 248-6423**

## **Terms and Conditions of Your Account**

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**1. Important Information About Procedures for Opening a New Account.** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**2. Agreement.** This agreement and your account(s) are governed by applicable federal and state laws, and when not superseded by federal law, the law of the state where your account is located. The state where your account is located is determined by the following:

(a) If you applied for your account in person at one of our bank branches, your account is located in the state where the branch is located;

(b) If you applied for the account by mail, digitally, or through any other means other than in person at one of our branches and the address you listed on your application is in a state where we had a branch at the time of your application, your account is located in that state. For joint accounts, the address of the first listed account owner is used to determine the state your account is located in;

(c) In all other cases, your account is located in Michigan.

In addition to federal and state laws, this agreement and your account(s) are subject to other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

1. summarize some laws that apply to common transactions;
2. establish rules to cover transactions or events which the law does not regulate;
3. establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
4. give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this document is intended to vary our duty to act in good faith and with ordinary care when required by law.

If you file any lawsuit or other legal proceeding against us that is connected in any way to your accounts or services, you agree to do so in an appropriate court in the state where your account is located. If we file any lawsuit or legal proceeding that is connected in any way to your accounts or services, you consent to jurisdiction and venue in an appropriate court in the state where your account is located.

English is the controlling language of our relationship with you. Items you write such as checks or withdrawal slips must be written in English. For your convenience, we may translate some forms, disclosures, and advertisements into another language. If there is a discrepancy between our English-language and translated materials, the English version prevails over the translation.

As used in this document the words "we", "our", "us", and "Flagstar" mean Flagstar Bank and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

These additional terms are defined below:

"Business Day" means Monday through Saturday, excluding federal holidays, unless defined elsewhere in the Disclosure Guide. Please review other sections of the Disclosure Guide carefully because Business Day may be defined differently in other sections.

"Calendar Day" means all days in a month including weekends and holidays. Calendar Days are referred to as "day" or "days".

"Balance" means the total amount of funds in your account from Posted transactions. The Balance may include funds that are not yet available for withdrawal under our Funds Availability Disclosure.

"Available Balance" means funds in your account that are available for withdrawal. In general, it is your Balance minus any outstanding holds on your Balance. Outstanding holds include, without limitation: (1) all or part of any check deposit without same-day availability, as noted in the Funds Availability Disclosure; (2) a hold on funds in your Balance resulting from a court order, other legal requirement (for example, levy, garnishment, etc.), or notification of a deposit being returned; and (3) Temporary Debit Authorization Holds. The following are not reflected or included in your Balance or your Available Balance: any checks you have written or ACH transactions you have made or authorized that have not yet Posted to your account; your Bounce Protection limit; and funds from any accounts you have linked to your account for overdraft protection (for example, a Linked Account and/or an overdraft line of credit).

"ATM" means an automated teller machine.

"Item" means any order, instruction or authorization to pay, transfer or withdraw funds or money from your account including, but not limited to, checks, substitute checks, preauthorized drafts, withdrawal tickets, transfers, electronic debits, imaged debits, wire transfers, ATM debits, ACH debits, bill pay debits, photocopy debits, bank generated debits, and debit card point of sale transactions (except as indicated in the Deposits and Night Drop sections of the Terms and Conditions of Your Account and the Funds Availability Disclosure).

"Post" means a debit, deposit, or other credit made to your account during our processing at the end of each Business Day. For example, a debit to your account from a signature based point-of-sale debit card transaction is not "Posted" until it is paid from your account (this is sometimes referred to as "settled" or a "settlement"). Deposits are "Posted" to your account after we accept and process the deposit, although the deposited funds may not yet be available for withdrawal under our Funds Availability Disclosure.

"Temporary Debit Authorization Hold" means a hold on funds in your account resulting from a merchant's request to authorize a signature based point-of-sale debit card transaction. Temporary Debit Authorization Holds are not Posted transactions.

"Linked Account" means another account on which you are an owner, such as a savings, money market or checking account, which you requested we link to your checking account for overdraft protection purposes. Certificates of Deposit, Health Savings Accounts, Individual Retirement Account Savings accounts, and Vacation/Holiday Club accounts cannot be a "Linked Account."

A "Minor" means an individual under 18 years of age.

"Fee Schedule" means the document titled Common Features-Fee Schedule.

**3. Liability.** You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the Item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and other joint owner; you and an authorized signer or similar party; or a third party claiming an

interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

**4. Deposits.** We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing indorsement, claim of alteration, encoding error or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a Business Day or received on a day we are not open for business, as if initiated on the next Business Day. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

**DEPOSIT RECEIPTS AND ERROR CORRECTION** - When we accept your deposits, consisting of checks, image replacement documents or other negotiable items, we may provisionally credit your account for the amount declared on your deposit receipt and later verify the accuracy of that amount. If later we determine that an amount declared on a deposit receipt was incorrect, we may debit or credit your account for the difference between the amount declared and the actual amount deposited. We may make any such adjustment without prior notice to you and any adjustments will be reflected on the applicable account statement.

**5. Withdrawals.** **GENERALLY** - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

**POSTDATED CHECKS** - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the Item.

**CHECKS AND WITHDRAWAL RULES** - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. We may refuse any withdrawal or transfer request if our computer system is not available, if we have any concern over the authority or identity of the persons involved in transaction or are suspicious of the transaction. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify it as a transaction account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an Item drawn against your account that would be a "substitute check", as defined by law, but for an error or defect in the Item introduced in the substitute check creation process, you agree that we may pay such Item. Payment of forged or fraudulent Items that could not be detected by a prudent person is not failure to exercise ordinary care. We are not liable for wrongful dishonor of suspect Items or for errors made in dishonoring Items.

See the Funds Availability Disclosure for information about when you can withdraw funds you deposit. For those accounts to which our Funds Availability Disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item.



When we accept your checks or other negotiable Items, we may debit your account for the written amount rather than the numeric amount, though we reserve the right not to do so in every case.

**MULTIPLE SIGNATURES, ELECTRONIC CHECK CONVERSION, AND SIMILAR TRANSACTIONS** - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on it. You agree that, as to these or any Items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

**NOTICE OF WITHDRAWAL** – We reserve the right to require no less than 7 days' notice in writing before each withdrawal from a savings or money market account. (The law allows us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. The penalty amount will be stated in a separate disclosure or confirmation for the time account.

**6. Ownership Of Account And Beneficiary Designation.** These rules apply to this account irrespective of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as to how they determine to whom we pay the account funds. Unless stated otherwise below, we do not maintain a separate record of each joint owner's interest in, or contributions to, the account. We may act on instructions from any joint owner (or any joint owner's agent, attorney-in-fact, or other representative) without another joint owner's consent. This includes instructions to withdraw or transfer funds, make payments, or close accounts. If your account is a type listed under "Personal Account", in our product information, you agree not to use it for business purposes.

- **INDIVIDUAL ACCOUNT** - is an account in the name of one person.

- **JOINT ACCOUNT - WITH SURVIVORSHIP (AND NOT AS TENANTS IN COMMON)** - is an account in the name of two or more persons. Each of which intend that when they die the balance in the account (subject to any previous pledge to which we have agreed) will belong to the survivor(s). If there are two or more survivors, each survivor will own the balance in the account as joint tenants with survivorship and not as tenants in common.

- **MARITAL ACCOUNT** - is an account established without the right of survivorship by two persons who claim to be lawfully married and is payable on request to either or both persons.

- **JOINT ACCOUNT - NO SURVIVORSHIP (AS TENANTS IN COMMON)** - is an account other than a Marital Account or Joint Account - With Survivorship, owned by two or more persons and payable on request to one of two or more persons. The persons do not intend (merely by opening the account) to create any right of survivorship in any other person. We encourage the persons to agree and tell us in writing of the percentage of deposit contributed by each person. This information will not, however, affect the number of signatures necessary for withdrawal.

- **INDIVIDUAL OR JOINT PAY-ON-DEATH ACCOUNT OR REVOCABLE TRUST** - is an account that is payable on the account owner's death (or the death of the last surviving co-owner) to one or more beneficiaries named by the owners of the account. If two or more account owners create an account, they own the account jointly with survivorship. A beneficiary cannot withdraw the account's funds unless:

1. all of the account's owners die, and
2. the beneficiary is then living.

If two or more beneficiaries are named and survive the death of all the account's owners, such beneficiaries will own the account's funds in equal shares, without right of survivorship. Any such beneficiary may withdraw his/her share of the account balance at any time if all account owners die. In order for a transfer to a beneficiary to take place, a beneficiary must provide proof of death of the owner(s) of the account.

Any account owner may:

1. change beneficiaries at any time by providing us with prior written notice,

2. change account types, and
3. withdraw all or part of the account funds at any time.

• **MARITAL ACCOUNT WITH POD BENEFICIARIES** - Upon the death of either account owner, 50% of the funds on deposit are owned by the surviving account owner and 50% are owned by the POD beneficiary(ies) named by the deceased person. If two or more beneficiaries are named by the account owners and survive the death of an account owner, they shall equally share the 50% of the account balance that they own, without right of survivorship. The persons creating this account type reserve the right to:

1. change beneficiaries,
2. change account types, and
3. withdraw all or part of the deposit at any time.

• **PAY-ON-DEATH ACCOUNT WITH LDPS** - If two or more account owners create this type of account, they own the account jointly with survivorship. Beneficiaries cannot withdraw unless all account owners die. If a named beneficiary does not survive all account owners, that beneficiary's right to a transfer on death transfer belongs to that beneficiary's lineal descendants per stirpes (LDPS) who survive all account owners. "LDPS" means a class of unnamed persons who are the lineal descendants of a beneficiary and who take upon surviving the beneficiary, in place of the beneficiary they have survived, the interest of the beneficiary as determined under state law. The person(s) creating this account type may:

1. change beneficiaries,
2. change account types, and
3. withdraw all or part of the account funds at any time.

**7. Stop Payments.** You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. To be effective, your stop-payment order must precisely identify the number, date and amount of the check and/or ACH, and the payee. You may stop payment on any check and/or ACH drawn on your account whether you sign the Item or not. Our stop-payment cutoff time is one hour after the opening of the next Business Day after the Business Day on which we receive the check and/or ACH.

Stop Payment Orders for Checks will remain in effect until the earlier of (1) until you withdraw the stop payment order, (2) until payment of the Item has been stopped or (3) for six months after the date accepted and will automatically expire after that period unless renewed in writing. Stop Payment Orders for ACH Preauthorized Payments will remain in effect until the earlier of (1) until you withdraw the stop payment order, (2) the return of the debit entry, or (3) where a stop payment order is applied to more than one debit entry under a specific authorization involving a specific originator, the return of all such debit entries. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

**8. Telephone Transfers.** A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). All our deposit account holders have automatic authorization to use the 24-Hour Telephone Banking System for inquiries on account balances and other select functions. A request must be submitted for the allowance of transfers between accounts with like ownership. You are solely responsible for the selection and confidentiality of your security code used with the 24-Hour Telephone Banking System. Written notification is mailed to the account holder each time a change is made to the security code. If you feel your security code has been compromised in any way, contact one of our representatives at (888) 248-6423. You further understand that you must report to us any unauthorized transfer to or from the account, in accordance with time requirements as set forth in this document. We have no responsibility to contact you prior to executing a transfer beyond the detailed description on your monthly account statement. We shall not be liable for any damages, including consequential damages, should a transfer not occur and items are subsequently returned or paid, whether for inadvertence, negligence or oversight. Transfer authority will begin within five (5) Business Days after receipt of your properly completed application and will

remain in full force and effect until revoked in writing. We shall be given reasonable opportunity to act upon termination instructions. Other account transfer restrictions may be described elsewhere.

**9. Amendments and Termination.** We reserve the right to amend any term of this agreement at any time. If required by law, we will give you advance notice. Such notice will be in writing or by any other method permitted by law or to which you have agreed. If your account remains open after the effective date of any change, you agree to the new term(s). We reserve the right to close your account at any time and for any reason, without advance notice. If we close your account, funds and accrued interest to which you are entitled will be returned to you personally or by mail. When you close your account, you are responsible for ensuring there are no outstanding Items to be paid from the account and that all automatic transfers to and from the account are cancelled. Items presented for payment or deposit after your account is closed may be dishonored and returned. If Items are presented after your account is closed that we cannot dishonor or return, you authorize us to reopen your account to process the transaction; you remain responsible to us for any Items that are processed in such manner. We are not liable for any loss or damage that results from dishonoring any Items after your account has been closed or from reopening your account under the conditions listed here.

**10. Notices.** Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive it in time to have a reasonable opportunity to act on it. If the notice is regarding a check or other Item, you must give us sufficient information to be able to identify the check or Item, including the precise check or Item number, amount, date and payee. Written notice we give you is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we have on file. Notice to any of you is notice to all of you.

**11. Statements.** Your Duty to Report Unauthorized Signatures, Alterations and Forgeries

You must examine your statement of account with reasonable promptness. If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer. You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any Items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

Your Duty to Report Other Errors

In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error - such as an encoding error. In addition, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing indorsements or any other problems. You agree that the time you have to examine your statement and report to us will depend on the circumstances. However, such time period shall not exceed 60 days. Failure to examine your statement and report any such errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

Errors Relating to Electronic Fund Transfers or Substitute Checks

For information on errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions) refer to your Electronic Fund Transfers notice and the sections titled Unauthorized Transfers and Error Resolution Notice.

**12. Account Transfer.** This account may not be transferred or assigned without our prior written consent.

**13. Statement Delivery.** Statements may be delivered electronically or by paper. Fees may apply.

**14. Direct Deposits.** If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

**15. Temporary Account Agreement.** If the account documentation indicates that this is a temporary account agreement, each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

**16. Overdrafts and Non-Sufficient Funds.** Your account is overdrawn when your Available Balance is less than zero. If we pay an Item which exceeds your Available Balance, the transaction will be considered an overdraft transaction and your account will be considered overdrawn.

You understand that we may, at our discretion, honor Items presented that overdraw your account or continue to overdraw your account.

The fact that we may honor Items presented that overdraw the account does not obligate us to do so later. You can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us.

You agree that we may charge fees when we pay an Item that causes your account to become overdrawn, except fees for overdrafts caused by ATM withdrawals or onetime debit card transactions if you have not opted-in to that service and this is a consumer account. Unless you have asked us not to pay Items that would cause your account to become overdrawn (and except as otherwise noted in this section and the Fee Schedule), we may assess an Overdraft Charge against your account if we pay an Item: (1) despite your account being overdrawn, or (2) that would cause or contribute to an overdraft of your account.

At our discretion, to avoid overdrawing or causing your account to become further overdrawn, we may return (i.e., not honor or reject) any Item that would cause your account to become overdrawn, or further overdraw your account. If we do not honor such an Item, the transaction will be considered a non-sufficient funds transaction and we may assess a Non-Sufficient Funds Charge against your account.

The amount of the Overdraft Charge and the Non-Sufficient Funds Charge is listed in our Fee Schedule.

We may determine whether your Available Balance is sufficient to pay an Item at any point between (1) the time an Item is presented to us or we receive notice regarding the Item and (2) the time the Item is returned. We are not required to make this determination more than once. If we choose to make a subsequent determination, the Available Balance at the subsequent time will determine whether we pay or return the Item. This is subject to the provision below which describes how you may avoid an Overdraft Charge or Non-Sufficient Funds Charge by making a Qualifying Overdraft Deposit (defined below) by 9 p.m. ET on a Business Day.

We apply deposits to your account, including direct deposits (for example, payroll, Social Security or other government benefits), first to cover any overdrafts in your account, including Overdraft Charges and Non-Sufficient Funds Charges Posted to your account, before we pay other Items.

Additionally, you must pay us, immediately upon demand, the amount necessary to bring the Available Balance of your account to zero and thereby take your account out of overdraft status (even if your account has been closed), as well as any related costs and expenses, including reasonable attorney's fees of an attorney employed by us to collect those amounts from you, to the extent permitted by law.

#### TEMPORARY DEBIT AUTHORIZATION HOLDS

A Temporary Debit Authorization Hold is frequently placed on funds in your account when you use your debit card. The merchant where you use your debit card requests the Temporary Debit Authorization Hold, and later sends the debit card transaction to us for payment. The merchant controls the amount of the Temporary Debit Authorization Hold, not us. The

Temporary Debit Authorization Hold will not necessarily be for the same amount as the transaction eventually presented to us for payment and Posted to your account.

A Temporary Debit Authorization Hold reduces your Available Balance until the Temporary Debit Authorization Hold is released. This is important to you because if an Item exceeding your then-existing Available Balance is presented to us for payment, you may be assessed a Non-Sufficient Funds Charge if we return the Item or an Overdraft Charge if we pay the Item. You may be assessed an Overdraft Charge or Non-Sufficient Funds Charge even if the amount of the Temporary Debit Authorization Hold is more or less than the amount of the Item giving rise to such Hold.

Most Temporary Debit Authorization Holds are released in one of two ways: either (a) when the transaction is presented to us for payment, the Temporary Debit Authorization Hold is released and the transaction is simultaneously Posted to your account; or (b) if the transaction has not Posted to your account within 48 hours of the Temporary Debit Authorization Hold being requested, we will automatically release the Temporary Debit Authorization Hold after 48 hours. Under the second scenario, keep in mind that the transaction may still be presented and Post to your account after we have released the Temporary Debit Authorization Hold.

Remember that we assess Overdraft and Non-Sufficient Funds Charges on an Item exceeding your Available Balance at the time the Item is presented for payment. Just because your Available Balance was sufficient to cover a debit-card transaction at the time the Temporary Debit Authorization Hold was created does not mean it will still be sufficient when the debit-card transaction is submitted to us for payment.

Example: Your account has an Available Balance of \$100. You swipe your debit card at a merchant to buy \$50 worth of groceries, and the merchant requests we create a Temporary Debit Authorization Hold for \$50. This reduces your Available Balance to \$50. Later that day, a check you wrote for \$75 is presented to us for payment. Even though the check exceeds your Available Balance, we decide in our discretion to pay it, overdrawing your account by \$25 plus an Overdraft Charge. The next day, the merchant submits your \$50 debit-card transaction for payment. We will pay the debit-card transaction (further overdrawing your account), and if you have specifically consented to us paying ATM and everyday debit card purchases as overdraft transactions, we will assess an Overdraft Charge.

#### DAILY LIMIT ON OVERDRAFT AND NON-SUFFICIENT FUNDS CHARGES

We may assess more than one Overdraft Charge and more than one Non-Sufficient Funds Charge to your account each day, depending on the number of checks and other Items presented on your account that day, subject to the two exceptions described below. However, we will not charge you more than five combined Overdraft Charges and Non-Sufficient Funds Charges per day.

#### EXCEPTION FOR SMALL AMOUNTS

We will not charge you an Overdraft Charge or Non-Sufficient Funds Charge (a) on any Item presented in the amount of \$5.00 or less; (b) if your account is overdrawn \$5.00 or less after we finish the process of Posting all debits and credits to your account on a Business Day; or (c) if we returned an Item and your account would be overdrawn \$5.00 or less after we finish the process of Posting all debits and credits to your account on a Business Day if we had instead paid the Item.

#### EXCEPTION FOR INTRADAY DEPOSITS

We do not assess Overdraft Charges and Non-Sufficient Funds Charges until after 9 p.m. ET on each Business Day, which allows us to complete the process of Posting all debits and credits received by 9 p.m. ET. This is important to you because it allows you to avoid an Overdraft Charge or Non-Sufficient Funds Charge by making a Qualifying Overdraft Deposit (defined below) by 9 p.m. ET on the same Business Day.

To be a "Qualifying Overdraft Deposit", the deposit must be: (1) of funds with same-day availability under our Funds Availability Disclosure; (2) in an amount set forth in the next paragraph; (3) made to the overdrawn account; and (4) if the deposit will include cash or check, made at any of our branches up to the daily closing time of the branch on that Business Day, or at a full-service ATM located on the premises of one of our branches by 9 p.m. ET. A "full-service" ATM is an ATM that accepts deposits in addition to dispensing cash.

If Items exceeding your Available Balance were paid, the Qualifying Overdraft Deposit must be in an amount that, when all debits and credits to your account for that Business Day have been Posted, results in your Available Balance being overdrawn by no more than \$5.00. If Items exceeding your Available Balance were returned, the Qualifying Overdraft Deposit must be in an amount such that your account would have been overdrawn \$5.00 or less after we finish the process of Posting all debits and credits to your account on a Business Day if we had instead paid the Item.

A deposit made after 9 p.m. ET on a Business Day or made on a day that is not a Business Day is deemed to be made on our next Business Day.

## ADDITIONAL FEES

Consecutive Days Overdrawn Fee and Charge-Off Fees may apply. Please refer to the Fee Schedule for applicable fee amounts, parameters and exclusions.

## BOUNCE PROTECTION

Bounce Protection is a service for our customers under which we may, in our discretion, pay an Item exceeding your Available Balance presented against your account and charge you an Overdraft Charge, instead of returning the Item unpaid and charging you a Non-Sufficient Funds Charge. The Bounce Protection Overdraft Program document contains information about Bounce Protection and how you may avoid paying Overdraft Charges and Non-Sufficient Funds Charges, such as by having a Linked Account or an overdraft line of credit, whether or not your account has Bounce Protection.

The provisions of the Bounce Protection Overdraft Program document are hereby incorporated by reference in this Overdrafts and Non-Sufficient Funds section of the Terms and Conditions of Your Account.

## EXAMPLES

Example 1: Suppose that your account has an Available Balance of \$0, and no Bounce Protection limit. Three ACH debits are presented against your account on a single day; the first ACH debit presented is \$1000, the second is \$200, and the third is \$250. All three ACH debits would initially be scheduled to be returned unpaid because they exceed your Available Balance. Suppose you deposited \$450 cash by 9 p.m. ET that day. The deposit would result in an Available Balance of \$450. We would then apply the rejected ACH debits to the Available Balance in the order in which the ACH debits were presented to us. The Available Balance would not be sufficient to pay the first ACH debit presented (\$1000) in its entirety and the ACH debit would be returned unpaid and you would be assessed a Non-Sufficient Funds Charge. The \$450 Available Balance, however, would be sufficient to pay the second and third ACH debits presented (\$250 and \$200) leaving a \$0 Available Balance. No Non-Sufficient or Overdraft Charge would be assessed for the second or third ACH debit presented. After we've assessed charges at the end of the day, your Available Balance would be -\$36.00 in the amount of the Non-Sufficient Funds Charge for the \$1000 ACH debit.

Example 2: Suppose your account has an Available Balance of \$0 and a Bounce Protection limit of \$500. Three ACH debits are presented against your account on a single day; the first presented is \$1,000, the second is \$550, and the third is \$200. The first and second ACH debits would initially be scheduled to be returned unpaid because they exceed your Available Balance and your Bounce Protection limit. The third ACH debit, however, could be paid by Bounce Protection, reducing your Available Balance to -\$200. Suppose you deposited \$1,150 as a Qualifying Overdraft Deposit by 9 p.m. ET that day. The deposit would result in an Available Balance of \$950 and a Bounce Protection limit of \$500 (after the -\$200 Bounce Protection is repaid). We would then apply the ACH debit to the Available Balance (for any rejected ACH debits) in the order in which the ACH debits were presented to us. The Available Balance with the Bounce Protection limit included is more than the first ACH debit presented (\$1,000), so that ACH debit would be paid leaving a -\$50 Available Balance and \$450 of Bounce Protection left. We would assess an Overdraft Charge of \$36.00 to your account for the \$1,000 ACH debit. The second ACH debit (\$550) exceeds the remaining Bounce Protection left of \$450 so we would assess a Non-Sufficient Funds Charge of \$36.00 to your account for this ACH debit. An Overdraft Charge would also be assessed for the \$200 ACH debit since the Bounce Protection limit was used and the Available Balance is -\$50 before the charges are deducted. Refer to section labeled Exception for Intraday Deposits for additional information on the Qualifying Overdraft Deposit.

**17. Setoff.** We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if:

1. it is an Individual Retirement Account or similar tax- deferred retirement account, or
2. the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or
3. the debtor's right of withdrawal only arises in a representative capacity, or
4. setoff is prohibited by the Military Lending Act or its implementing regulations.

We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

**18. Authorized Signer.** You or any other owner of the account may appoint an authorized signer to the account. One way that an authorized signer can be appointed is through a power of attorney. A power of attorney (or other designation of an authorized signer) must be acceptable to us in our discretion, and we may refuse to honor a power of attorney unless prohibited by law. We may require the authorized signer to present the original power of attorney (not a copy), and may require the authorized signer to confirm that the power of attorney has not been revoked or terminated.

You do not give up any rights to the account by appointing an authorized signer. The authorized signer may not affect your rights or any beneficiary's rights, except as may occur by transacting on the account.

You are responsible for any transaction of an authorized signer. We undertake no obligation to monitor transactions to determine that they are on your behalf. We may pay any funds on deposit in the account to an authorized signer or at an authorized signer's request.

You may remove an authorized signer that you appointed at any time. However, we may continue to recognize the authority of the authorized signer (for example, by honoring the authorized signer's transactions) until: (a) we have received written notice or have actual knowledge of the termination of authority, and (b) we have a reasonable opportunity to act upon it. In addition, the authorization is automatically terminated upon death of the individual who appointed the authorized signer.

We may refuse to accept the designation of an authorized signer.

**19. Disputes.** Sometimes we are brought into the middle of a dispute between account holders or authorized signers over an account or a dispute between account holders or authorized signers claiming to be owners of, or the person entitled to control or withdraw funds from, a deposit account. When we know or suspect that this is happening, we may choose any of the following courses of action:

- We may ignore instructions (such as an instruction by one account holder or authorized signer not to honor items or other withdrawal orders by another account holder or authorized signer) for the account unless all account holders or authorized signers sign the withdrawal, deposit, check or instructions;
- We may freeze the account and withhold payment from all of you until we receive written proof (in a form and substance satisfactory to us) of your right and authority over the account and its funds;
- We may require that all account holders or authorized signers sign any instruction, check, item or other withdrawal order even though the signature card for the account does not require all those signatures to authorize a withdrawal. If your account is a corporate, limited liability company, partnership or other entity account, we may require specific signatures or other authorization from directors, partners, managers or owners of the entity or, if a power of attorney account, we may require approval of the principal, or if a trust account, we may require approval of other trustees or the beneficiary(ies);
- We may return checks or other items, marked "*Refer to Maker*" (or similar language), or we may "*restrict*" the account, until satisfactory evidence has been received by us confirming your right or authority over the account or that the dispute has been resolved, or we may close the account and issue a single cashier's check for the account balance jointly payable to all account holders, and we may mail or deliver that check to any one of the account holders;
- We may request instructions from a court of competent jurisdiction at your expense regarding the ownership or control of the account;
- At our discretion and without liability to us, we may or may not continue to honor checks, withdrawals or other instructions given to us by any individual(s) with actual, implied or apparent authority on our records to access the account;

- We may deposit the account balance with the clerk of a court in connection with an interpleader action we bring or in response to a court action naming us as a party. The court would then decide who is entitled to the funds. If we make an interpleader deposit with the court, the court may be asked to award us our costs, including attorney's fees (including in-house attorney fees), which may be payable out of the deposit;
- We may close your account; or
- We may take any other action we believe to be reasonable under the circumstances even if the action is not listed here.

The existence of the rights set forth above shall not impose an obligation on us to assert such rights or to deny a transaction.

**20. Restrictive Legends or Indorsements.** The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. For this reason, we are not required to honor any restrictive legend or indorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive indorsement.

**21. Posting Order of Items & Credits.** The order in which Items are paid is important if there is not enough money in your account to pay all of the Items that are presented. The payment order can affect the number of Items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those Items and credits.

Our policy is to process all Items and credits in the order they are received. However, when Items or credits are received at the same time within the same file, credits will be processed first. Wire transfers, phone transfers, online banking transfers, in branch transactions, ATM transactions, debit card transactions, ACH transactions, bill pay transactions, and Items we are required to pay, such as returned deposited items, are processed next (but not necessarily in that order) as they occur on their effective date for the Business Day on which they are processed. We process checks and similar Items last, in the order in which they are received for the Business Day on which they are processed.

If an Item exceeding your Available Balance is presented for payment, we may, at our discretion, pay the Item (this would be considered an overdraft transaction) or return the Item (this would be considered a non-sufficient funds transaction). We will not charge you a fee for paying ATM or everyday debit card purchases as overdraft transactions if this is a consumer account and you have not specifically consented to that service. The amounts of the Overdraft and Non-Sufficient Funds Charges are disclosed elsewhere (Fee Schedule), as are your rights to specifically consent to overdraft services for ATM and everyday debit card transactions, if applicable. We encourage you to make careful records and practice good account management. Record every transaction and keep a running total of your Available Balance and Balance and leave extra funds available for potential charges. This will help you to avoid creating Items without sufficient funds and potentially incurring the resulting fees.

We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. The payment order of Items can affect the total amount of Overdraft and Non-Sufficient Funds Charges incurred. Also, please be aware that the order we pay your Items may create multiple overdraft and/or non-sufficient funds transactions in a Business Day and you will be charged the applicable fees for each transaction, unless otherwise noted in the Terms and Conditions of Your Account.

**22. Facsimile Signatures.** Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor Items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders or Items, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

**23. Stale-Dated Checks.** We are not obligated to, but may at our option, pay a check, other than a certified check, presented for payment more than six months after its date. If you do not want us to pay a stale-dated check, you must place a stop-payment order on the check in the manner we have described elsewhere.



**24. Indorsements.** We may accept for deposit any Item payable to you or your order, even if it is not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 1/2" of that edge.

**25. Unclaimed Property.** Your property may be transferred to the appropriate state if no activity occurs in the account within the time period specified by state law.

The law establishes procedures under which unclaimed property must be surrendered to the state. (We may have our own rules regarding escheated accounts, and if we charge a fee for escheated accounts it will be disclosed to you elsewhere.) Generally, the funds in your account are considered unclaimed if you have not had any activity or communication with us regarding your account over a period of years. Ask us if you want further information about the period of time or type of activity that will prevent your account from being unclaimed. If your funds are surrendered to the state, you may be able to reclaim them, but your claim must be presented to the state. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds.

**26. Death or Incompetence.** You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, other Items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) Business Days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

**27. UTMA Accounts.** Under the Uniform Transfers to Minors Act ("UTMA"), the funds in the account are owned by the Minor child who has unconditional use of the account when he or she reaches the age of majority, unless otherwise agreed or required by UTMA. Before that time, the account may be accessed only by the custodian (or successor custodian), and the funds must be used for the benefit of the Minor. We, however, have no duty or agreement whatsoever to monitor or insure that the acts of the custodian (or successor custodian) are for the child's benefit. We are not responsible to monitor age or eligibility for an UTMA account, even though our records may include the Minor's date of birth. It is the custodian's responsibility to properly distribute the funds in the account upon the Minor's death or attainment of the age of majority. For this type of account, the child's tax identification number is used for the Backup Withholding Certification.

**28. Fiduciary Accounts.** Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

**29. Credit Verification.** You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

**30. Withholding of Income Tax.** Unless you are exempt under federal law, we are required to withhold a portion of your taxable interest and certain other payments (this is referred to as backup withholding) if: (1) you fail to supply us, under penalties of perjury, with your correct taxpayer identification number (TIN); (2) you fail to provide us with the required certified information; (3) the IRS instructs us to withhold; or (4) the IRS notifies you that you are subject to backup withholding. You must provide your TIN whether or not you are required to file a tax return. You also must certify that you are not subject to backup withholding.

We may report interest and other payments to you to the Internal Revenue Service (IRS), along with your TIN.

We may refuse to open, and we may close, any account for which you do not provide a certified TIN, even if you are exempt from backup withholding and information reporting. To avoid possible erroneous backup withholding, an exempt payee should furnish its TIN and indicate on the signature card that it is exempt.

Non-resident aliens and foreign entities that are not subject to information reporting must certify their exempt status by completing an appropriate IRS certification form (e.g., W-8 BEN, W-8 BEN-E, etc.) and by providing any other information and/or certifications requested by the Bank in order to verify their foreign status. Non-resident aliens and foreign entities may be required to certify their exempt status every three years (or earlier upon request) to avoid backup withholding.

In addition, certain foreign entities may be required to provide additional information under the Foreign Account Tax Compliance Act (FATCA), and under FATCA the Bank may be required to withhold on certain payments.

You may be subject to civil and criminal penalties if you fail to provide us with a correct TIN or falsify information with respect to withholding. For additional information on interest reporting and withholding, contact your tax advisor or the IRS.

**31. Changing Account Products.** We may change your account to another product offered by us at any time by giving you notice that your account will be changed to another product on a specified date. If your account is a time account, the change will not occur before the next maturity date of your account. If you do not close your account before the date specified in the notice, we may change your account to that other product on the date specified in the notice.

**32. Legal Actions Affecting Your Account.** If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action. Or, in our discretion, we may freeze the assets in the account and not allow any payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your Items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

**33. Check Processing.** The use of the term "items" in this section is limited to those Items that are received by us with magnetic ink character recognition ("MICR") information capable of being mechanically processed. We process items mechanically by relying solely on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of indorsements unless you notify us in writing that the check requires multiple indorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

**34. Check Cashing.** We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or Item written on your account. We may also require reasonable identification to cash such a check, draft or Item. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

**35. Security.** It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your account(s). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

Except for consumer electronic funds transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, such as positive pay or commercially reasonable security procedures, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered, unless we acted in bad faith or to the extent our negligence contributed to the loss. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected.

**36. Remotely Created Checks.** Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection:

1. you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check;
2. you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask;
3. if a check is returned you owe us the amount of the check, regardless of when the check is returned which shall be payable to us immediately and without demand;
4. you are liable if you are giving routing and account numbers; and
5. if you deposit a remotely created check, you give warranties to the bank and subsequent financial institutions.

We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

**37. Telephonic Instructions.** Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission or leave by voice mail or on a telephone answering machine.

**38. Monitoring and Recording Telephone Calls and Consent to Receive Communications.** We may monitor or record phone calls for security reasons, to maintain a record and to ensure that you receive courteous and efficient service. You consent in advance to any such recording. We need not remind you of our recording before each phone conversation.

To provide you with the best possible service in our ongoing business relationship for your account, we may need to contact you about your account from time to time by telephone, text messaging or email. However, we must first obtain your consent to contact you about your account because we must comply with the consumer protection provisions in the federal Telephone Consumer Protection Act of 1991 (TCPA), CAN-SPAM Act and their related federal regulations and orders issued by the Federal Communications Commission (FCC).

\* Your consent is limited to this account, and as authorized by applicable law and regulations.

\* Your consent does not authorize us to contact you for telemarketing purposes (unless you otherwise agreed elsewhere).

With the above understandings, you authorize us to contact you regarding this account throughout its existence using any telephone numbers or email addresses that you have previously provided to us or that you may subsequently provide to us.

This consent is regardless of whether the number we use to contact you is assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service or any other service for which you may be charged for the call. You further authorize us to contact you through the use of voice, voice mail and text messaging, including the use of pre-recorded or artificial voice messages and an automated dialing device.

If necessary, you may change or remove any of the telephone numbers or email addresses at any time using any reasonable means to notify us.

**39. Claim of Loss.** If you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding

the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

**40. Early Withdrawal Penalties (and involuntary withdrawals).** We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your notice of penalty for early withdrawals for additional information.

**41. Address or Name Change.** You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. Address changes on accounts will be authorized if Flagstar Bank receives notification from either an account owner or the United State post office. If provided elsewhere, we may impose a service fee if we attempt to locate you.

**42. Resolving Account Disputes.** We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any Items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

**43. Waiver of Notices.** To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit a check and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

**44. Subaccount Organization.** For regulatory accounting purposes, we have organized your checking account as two subaccounts. One of these accounts is a transaction subaccount (e.g., a checking subaccount). You will transact business on this subaccount. The other is a nontransaction subaccount (e.g., a savings account). You cannot directly access the nontransaction subaccount, but you agree that we may automatically, and without a specific request from you, initiate individual transfers of funds between subaccounts from time to time at no cost to you. This account organization will not change the amount of federal deposit insurance available to you, your Available Balance, the information on your periodic statements, or the interest calculation, if this is an interest-bearing account. You will not see any difference between the way your checking account operates and the way a traditionally organized checking account operates, but this organization makes us more efficient and helps to keep costs down.

**45. ACH and Wire Transfers.** This Agreement is subject to Article 4A of the *Uniform Commercial Code - Fund Transfers* as adopted in the state in which you have your account with us. We may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses ("ACH") and which are not subject to the Electronic Funds Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws as adopted in the state in which you have your account with us. You agree to be bound by the National Automated Clearing House Association rules which are applicable to ACH transactions involving your account. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give next day notice of the payment order or credit and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statements we provide to you. If we receive a wire or ACH credit or debit to an account you have with us and the item is suspected of being in violation of sanctions imposed by the Office of Foreign Assets Control of the U.S. Department of Treasury, we may delay the Posting beyond the effective date due to the review of the transaction. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the *Uniform Commercial Code*. If we do not receive such payment, we are

entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH. If you originate a fund transfer for which Fedwire or ACH is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named.

**46. Funds Transfers, Generally.** A funds transfer is the transaction or series of transactions that begin with the originator's payment order, made for the purpose of making payment to the beneficiary of the order. A funds transfer is completed by the acceptance by the beneficiary's bank of a payment order for the benefit of the beneficiary of the originator's order. You may give us a payment order orally, electronically, or in writing, but your order cannot state any condition to payment to the beneficiary other than the time of payment. Credit entries may be made by ACH.

**47. Linked Account (Deposit Overdraft Protection).** If you request that we link your checking account to a Linked Account, you agree that we may transfer funds from the Linked Account for a fee, to your checking account automatically when an Item exceeding your checking account's Available Balance is presented for payment. The fee will be assessed on the Linked Account once per day. We will not assess a Linked Account fee if you qualify for the small amounts exception or make a Qualifying Overdraft Deposit. For an explanation of these two scenarios, please reference the Overdraft Charge and Non-Sufficient Funds (Exceptions for Small Amounts and Exceptions for Intraday Deposits) section of the Terms and Conditions of Your Account. The Linked Account will generally transfer only enough money to return your checking account's Available Balance to zero. However, if the Linked Account's Available Balance is not sufficient to return your checking account's Available Balance to zero but the Item can still be paid by also using another overdraft-protection option (for example, Bounce Protection, another linked-account arrangement, or an overdraft line of credit), then your Linked Account's remaining Available Balance will be transferred and the remaining amount of the Item will be covered by the other overdraft-protection option in the order it was associated with your account.

We have no duty to link accounts on your behalf. In our sole discretion, we may limit the types and number of accounts that may be linked and impose restrictions on linking any specific account you may have. You agree that information regarding your linked accounts may be made available to any other owner on any of the accounts that are linked. We reserve the right to limit the types and number of transactions that may be paid from the Linked Account. The linking of your accounts in this manner may be canceled upon your written request or at our discretion.

Please view the Fee Schedule for applicable charges for the Linked Account. You may also be charged if you exceed the number of preauthorized transfers allowed per month in your savings or money market account because each transfer from your Linked Account to your checking account will count against that limit. Please see your Truth-In-Savings Disclosures for any applicable limits and fees based upon your savings or money market account type.

If your Linked Account earns interest, you should decide whether the amount of Overdraft Charges and Non-Sufficient Funds Charges on your checking account you anticipate you will avoid under the linked-account arrangement will be greater than the amount of Linked Account fees assessed and interest you will forgo by having funds transferred from the Linked Account. You may request our Truth-in-Savings Disclosures for the type of account you propose to use as a Linked Account to obtain information regarding how interest is determined on the Linked Account and any minimum balance or other requirements to earn interest on the Linked Account.

**48. Night Drop.** If you utilize one of our outside depositories without having first executed our Night Depository Agreement, you agree to be bound by the terms for the night depository service contained herein and all applicable fees and service charges. If you have executed a separate Night Depository Agreement with us, the terms of this disclosure will govern your use of the service to the extent of a conflict or inconsistency between the terms of the Night Depository Agreement and this disclosure. Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card are authorized to perform night depository transactions. This authorization will continue until you give us written notice to the contrary. All items placed in a night depository must be secured in sealed or locked in a tamper-evident container. You must include in the sealed or locked container an itemized deposit slip documenting the container's contents and retain a copy of the deposit slip for your records. Items deposited in the night depository may only contain cash and checks, drafts, or other similar items that would be presented to a teller for deposit. We will remove and open the containers and credit the contents to your designated account no later than the end of the next Business Day after they are placed in the night depository. Nothing in this disclosure is intended to determine the extent, if any, to which the items are insured once they are deposited. Prior to the items placed in the night depository becoming deposited, our responsibility will be limited to the exercise of reasonable care, and unless

otherwise required by law we will not insure such items, and our not insuring them will not constitute failure to exercise reasonable care. We will not under any circumstances be liable for consequential damages. If there are any discrepancies between the amounts shown on your deposit slip and the actual contents of the container, we will promptly notify you in writing of the discrepancies. You will only be entitled to credit for the actual contents, as determined by a bank officer or employee who is present to witness and record the contents of the containers, when opened, regardless of what is stated on the deposit slips. We are only responsible for provable losses that are directly sustained by you and only to the extent that such losses were caused by our gross negligence or willful misconduct. Unless otherwise required by law, you agree that we are not liable for any loss or damage, neither direct or consequential, that results (i) from a delay in accepting a deposit, applying a payment or otherwise processing a deposited transaction; (ii) from the operation, mechanical failure, or general condition of the night depository, the keys for it or any other equipment in connection with the night depository service; (iii) to property placed in the night depository in breach of this disclosure or the Night Depository Agreement or left outside of the night depository; or (iv) from delay in processing a deposited transaction while we are waiting for your instructions. You agree that any action taken by us in offering the night depository service to you in accordance with this disclosure and the Night Depository Agreement constitutes an act of courtesy and convenience; and therefore we shall have no responsibility or liability in the event that your deposit does not comply with the terms of this disclosure and the Night Depository Agreement and/or the contents of your deposit fail to conform to the accompanying deposit ticket. The bank records to any deposit in the night depository shall be conclusive as between you and the bank with respect to the fact of the deposit or claimed deposits. You assume full responsibility for and risk of any shortage resulting from such discrepancy. We may temporarily suspend use of the night depository, without any resulting liability, by posting a sign to that effect at or near the night depository in the event of an emergency or to make alterations or repairs.

#### **49. Notice of Negative Information.**

Federal law requires us to provide the following notice to customers before any negative information may be furnished to a nationwide consumer reporting agency. Negative information includes information concerning delinquencies, overdrafts or any form of default. This notice does not mean that we will be reporting such information about you, only that we may report such information about customers that have not done what they are required to do under our agreement. After providing this notice, additional negative information may be submitted without providing another notice.

We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report. If you believe the information we reported is in error, you may dispute the information by contacting us at 301 W. Michigan Avenue, Jackson, MI 49201.

## **Bounce Protection Overdraft Program**

The terms and conditions described in this Bounce Protection Overdraft Program are part of the Terms and Conditions of Your Account. Words and phrases defined in the Terms and Conditions of Your Account have the same meaning when used in this document. Please read this carefully.

At Flagstar Bank, we understand an Item exceeding your Available Balance may be presented for payment from your account. This may happen, for example, because you failed to enter a check or a fee in your check register, or a check you deposited was returned unpaid, or a Temporary Debit Authorization Hold was larger than you expected.

If you have Bounce Protection on your account, we may, at our discretion, pay the Item rather than returning it unpaid, even though paying the Item creates an overdraft in your account. Except as otherwise provided below, we will charge you an Overdraft Charge for each Item we pay under Bounce Protection, but having the Item paid rather than returned unpaid may allow you to avoid additional fees and charges that merchants and creditors may impose on you if your checks and other Items payable to them "bounce". Checks and other Items are not necessarily posted to your account in the same order the checks were written or the other transactions occurred.

### **What is Bounce Protection?**

Bounce Protection is a service for our customers under which we may, in our discretion, pay an Item exceeding your Available Balance presented against your account and charge you an Overdraft Charge, instead of returning the Item unpaid and charging you a Non-Sufficient Funds Charge. However, we will pay the Item only if your account is in Good Standing (as defined below). We will not pay Items that would cause the overdraft in your account to exceed your Bounce Protection limit.

Bounce Protection is not a line of credit. We may, in our discretion, return any Item unpaid that is presented for payment exceeding your Available Balance even if the amount of the Item does not exceed the unused portion of your Bounce Protection limit, your account is in Good Standing, or we have previously paid one or more similar Items under Bounce Protection.

You should not write a check or authorize a transaction on your account at a time when the Available Balance in your account is not sufficient to cover the check or other transaction, and you should not rely on Bounce Protection to cover the check or other transaction.

Bounce Protection is not available for certain accounts and/or ownerships, including, but not limited to, Individual Retirement Accounts, Health Savings Accounts, trusts, minors, representative payees, government entities, or corporations. Flagstar Bank reserves the right to limit participation to one account per household and to suspend, revoke, or discontinue this program without prior notice.

### **When is my account in "Good Standing"?**

Your account is in "Good Standing" for purposes of Bounce Protection if you (1) deposit enough money to bring your account to a positive Balance (including the payment of all bank fees and charges) at least once every 30 consecutive days by the end of the Business Day and the Balance must remain positive until the next Business Day; (2) avoid excessive overdrafts; and (3) have no legal orders, levies or liens against your account.

### **How does Bounce Protection work?**

The amount of each Item paid when exceeding the Available Balance in your account plus the amount of the Overdraft Charge for each Item will be deducted from your Balance. If we return the Item unpaid rather than paying it, we will assess a Non-Sufficient Funds Charge, and we will subtract the amount of the charge from your Balance. The amount of any overdraft in your account after we complete the process of Posting to your account on a Business Day (including any Overdraft Charges and Non-Sufficient Funds Charges Posted to your account on that Business Day) will be subtracted from your Bounce Protection limit before the beginning of the next Business Day. No interest will be charged on the overdraft balance in your account.

Please refer to the Overdrafts and Non-Sufficient Funds sections of the Terms and Conditions of Your Account for additional details. Please also see our Funds Availability Disclosure.

## When does Bounce Protection become effective on my account?

**New Accounts.** We automatically add Bounce Protection to new, personal, interest-bearing or non-interest-bearing checking accounts or qualifying business checking accounts, subject to the below conditions:

*New Customers.* For new Flagstar deposit accountholders, Bounce Protection will not be activated on your account until you have satisfied the following two conditions: (1) the account to which Bounce Protection will be added must be open for at least 60 days, and (2) you must make a deposit or deposits in your account in an aggregate amount equal to or greater than the Bounce Protection limit applicable to your account.

*Existing Customers.* For existing Flagstar deposit accountholders, Bounce Protection will not be activated on your account until you have made a deposit or deposits in your account in an aggregate amount equal to or greater than the Bounce Protection limit applicable to your account type.

We will not add Bounce Protection to your new account if you have asked us not to do so.

**Existing Accounts.** For existing Flagstar deposit accountholders who do not have Bounce Protection on accounts that have been open for at least 60 days, we will add Bounce Protection to the account at your request so long as the account is in Good Standing.

## What types of Items may be paid by Bounce Protection? Will my limit be reflected in the account balances I receive?

Bounce Protection is not limited to payment of paper checks. Other transactions made using your account number (such as teller withdrawals, automatic ACH bill payments, and recurring debit card payments) may be paid. Also, everyday (non-recurring) debit card purchases and ATM transfers or withdrawals that overdraw your account may be paid if you have given us specific consent to do so, or if your account is a business account. An Overdraft Charge will be assessed in each of these situations.

The chart below shows the different ways Items on your account may be paid as overdrafts under Bounce Protection. Your Bounce Protection limit will never be included in the Balance or Available Balance of your account.

Access points	Can my Bounce Protection pay this type of Item?	Do the balances provided reflect my Bounce Protection limit?
Withdrawal from a Flagstar Teller	Yes	No
Writing a Check	Yes	N/A
Debit Card (recurring)	Yes	N/A
Debit Card (everyday)	Consumer Accounts: If you give us specific consent to do so* Business Accounts: Yes	N/A
ATM Withdrawal	Consumer Accounts: If you give us specific consent to do so* Business Accounts: Yes	No
ACH- Auto Debit	Yes	N/A
Online Banking Transfers	No	No
Online Bill Pay and Popmoney ®	Yes	N/A
Telephone Banking	No	No
Wire Transfers	No	N/A

\*The Bounce Protection Program will be made available for ATM or everyday debit card transactions upon your request. Call (888) 248-6423 or visit one of our branches to arrange for your ATM and debit card coverage.



## What charges are associated with Bounce Protection?

To help you manage your account, the total Overdraft and Non-Sufficient Funds Charges assessed during the current statement period and year-to-date will be shown on your account's periodic statement. We will post all the fees and charges described below in this section as debits to your account. Please note, there are exceptions for small amounts and intraday deposits where we will not charge you an Overdraft Charge or Non-Sufficient Funds Charge as described below.

- **Overdraft Charge** - We will assess an Overdraft Charge of **\$36.00** to your account for each Item we pay exceeding the Available Balance in your account. Also, if you have given your specific consent for us to do so, we may authorize and pay ATM transfers or withdrawals and everyday debit card purchases when they exceed the Available Balance in your account, and we will assess an Overdraft Charge for each such ATM or debit card transaction. Whether an Overdraft Charge will be assessed is subject to the exception for small amounts, described in more detail below.
- **Non-Sufficient Funds Charge** - We will assess a Non-Sufficient Funds Charge of **\$36.00** to your account if we return an Item exceeding your Available Balance, including when paying the Item would exceed your Bounce Protection limit. Whether a Non-Sufficient Funds Charge will be assessed is subject to the exception for small amounts, described in more detail below.
- **Consecutive Days Overdrawn Fee** - If your Balance has been negative in any amount for 34 consecutive days, on the first Business Day after that we will charge your account a Consecutive Days Overdrawn Fee in the amount of **\$6.00** if the Balance of your account is negative more than \$-10 on that Business Day. We will continue to charge a Consecutive Days Overdrawn Fee in the amount of **\$6.00** on each Business Day that the Balance of your account is negative more than \$-10 until you make a deposit that brings your Balance to zero or a positive number, or until we close your account. The Consecutive Days Overdrawn Fee will be charged on a Business Day in addition to any other fees charged on that Business Day.
- **Charge-Off Fee** - If your Balance continues to be negative by any amount for 60 consecutive days, we will close your account and will assess a Charge-Off Fee to your account in the amount of **\$30.00**.

## Can I incur more than one Overdraft Charge or Non-Sufficient Funds charge in a single day? Are there any limits or exceptions to when you assess an Overdraft Charge or Non-Sufficient Funds Charge?

We may assess more than one Overdraft Charge and more than one Non-Sufficient Funds Charge to your account each day, depending on the number of checks and other Items presented on your account that day. For example, if we pay three Items under Bounce Protection in one day, we will assess three Overdraft Charges of \$36.00 each. However, certain overdraft or non-sufficient funds transactions will not result in an Overdraft Charge or Non-Sufficient Funds charge, as described in the "Daily limit on charges" and "Exception for Small Amounts" and "Exception for Intraday Deposits" headings below.

**Daily Limit on Charges** - We will not charge you more than five combined Overdraft Charges and Non-Sufficient Funds Charges per day (a maximum of \$180.00 per day).

**Exception for Small Amounts** - We will not charge you an Overdraft Charge or Non-Sufficient Funds Charge:

- a) on any Item presented for payment in the amount of \$5.00 or less;
- b) if your account is overdrawn \$5.00 or less after we finish the process of Posting all debits and credits to your account on a Business Day; or
- c) if we returned an Item and your account would be overdrawn \$5.00 or less after we finish the process of Posting all debits and credits to your account on a Business Day if we had instead paid the Item.

**Exception for Intraday Deposits** - We do not assess Overdraft Charges and Non-Sufficient Funds Charges until after 9 p.m. ET on each Business Day, which allows us to complete the process of Posting all debits and credits received by 9 p.m. ET. This is important to you because it allows you to avoid an Overdraft Charge or Non-Sufficient Funds Charge by making a Qualifying Overdraft Deposit (defined below) by 9 p.m. ET on the same Business Day.

To be a "Qualifying Overdraft Deposit", the deposit must be:

1. of funds with same-day availability under our Funds Availability Disclosure;
2. in an amount set forth in the next paragraph;

3. made to the overdrawn account; and
4. if the deposit will include cash or check, made at any of our branches up to the daily closing time of the branch on that Business Day, or at a full-service ATM located on the premises of one of our branches by 9 p.m. ET. A "full-service" ATM is an ATM that accepts deposits in addition to dispensing cash.

If Items exceeding your Available Balance were paid, the Qualifying Overdraft Deposit must be in an amount that, when all debits and credits to your account for that Business Day have been Posted, results in your Available Balance being overdrawn by no more than \$5.00. If Items exceeding your Available Balance were returned, the Qualifying Overdraft Deposit must be in an amount such that your account would have been overdrawn \$5.00 or less after we finish the process of Posting all debits and credits to your account on a Business Day if we had instead paid the Item.

A deposit made after 9 p.m. ET on a Business Day or made on a day that is not a Business Day is deemed to be made on our next Business Day.

**How will I know when I use Bounce Protection?**

We will notify you promptly of any Items exceeding your Available Balance we pay or return; however, we have no obligation to notify you before we pay or return any Item. You should promptly update your check register with all Items and fees contained in the notice, if you have not already done so.

**What is my Bounce Protection limit? If I have two checking accounts, can I get Bounce Protection on both?**

Locate your type of account below and note the corresponding Bounce Protection limit. If you have multiple accounts for your household, you may have a Bounce Protection limit on each eligible account.

Non-Interest-Bearing Checking .....	\$500
Interest-Bearing Checking .....	\$1,000
Business* .....	\$600

\*Qualifying business ownerships include sole proprietorships/DBAs, partnerships, and single-member LLCs with a Standard Business Checking Account. Bounce Protection is not available for IOLTA or business Sweep accounts.

**What if I write checks or authorize other Items beyond my Bounce Protection limit?**

Items that, if paid, would cause the overdraft in your account to exceed your Bounce Protection limit will be returned unpaid. We will assess a Non-Sufficient Funds Charge for each Item returned. While we may not pay an Item that would cause the amount of the overdraft in your account to exceed your Bounce Protection limit, we may assess bank fees (such as Overdraft Charges and Non-Sufficient Funds Charges) on your account in excess of your Bounce Protection limit. If your account is overdrawn, it may be subject to the Consecutive Days Overdrawn Fee described above.

**How quickly must I repay an overdraft in my account?**

You should make every attempt to bring your account to a positive Balance as soon as possible after an overdraft occurs. If we have not demanded immediate payment, you must bring your account to a positive Balance (including the payment of all bank fees and charges) at least once every 30 consecutive days by the end of the Business Day and the Balance must remain positive until the next Business Day. If you do not do so, we will notify you that your Bounce Protection has been suspended and that future Items exceeding your Available Balance will be returned unpaid. Unless we notify you otherwise or you request that Bounce Protection be removed from your account, Bounce Protection will be reinstated on your account on the first Business Day after you bring your account to a positive end-of-Business-Day Balance and the Balance remains positive until the next Business Day.

**How are overdrafts in my account repaid? Am I responsible for overdrafts?**

We apply deposits to your account, including direct deposits (for example, payroll, Social Security or other government benefits), first to cover any overdrafts in your account, including Overdraft Charges, Non-Sufficient Funds Charges, or any other fees Posted to your account, before we pay other Items. You must pay us, immediately upon demand, the amount necessary to bring the Available Balance of your account to zero and thereby take your account out of overdraft status (even if your account has been closed), as well as any related costs and expenses, including reasonable attorney's fees of an attorney employed by us to collect those amounts from you, to the extent permitted by law.

**What if I am having trouble repaying my Bounce Protection or I use it frequently?**

Please call us at (888) 248-6423 if you: (1) do not believe you will be able to bring your account to a positive end-of-Business-Day Balance within the required time period; (2) find that you are using Bounce Protection more often than you expected; or (3) don't understand why your account becomes overdrawn. We would like to discuss your situation with you.

### **What if Flagstar determines that I have an excessive number of overdrafts on my account?**

If your account has Bounce Protection and you repeatedly incur Overdraft Charges and/or Non-Sufficient Funds Charges on your account during any rolling 12 month period, we will contact you to determine whether another product we offer may be of assistance to you in reducing the amount of these charges you incur. If you continue to incur an excessive number of Overdraft Charges and/or Non-Sufficient Funds Charges, we may remove Bounce Protection from your account without advance notice to you. The amount of Non-Sufficient Funds Charges and Overdraft Charges you have been assessed during the current statement period and year-to-date will be shown on your account's periodic statement. We invite you to call (888) 248-6423 or visit one of our branches to speak with one of our representatives about steps you might take to reduce the number of Overdraft Charges and/or Non-Sufficient Funds Charges you incur.

### **What are some ways I can avoid Overdraft Charges on my account?**

Whether or not you have Bounce Protection on your account, the best way to avoid overdrawing your account and thereby incurring charges is to keep track of your Available Balance, promptly enter all Items and bank fees in your check register, and reconcile your checkbook regularly. Whenever you use your debit card to pay for goods or services, you should immediately deduct the amount of the payment you authorized in your check register, and also review your Available Balance to see whether the merchant requested a Temporary Debit Authorization Hold for a different amount.

Flagstar Bank offers other ways to avoid Overdraft Charges on overdraft transactions, such as processing deposits of same-day funds made by 9 p.m. ET on a Business Day, an overdraft protection linked deposit account, or an overdraft line of credit, as described below.

### **How can a Linked Account help avoid Overdraft Charges?**

If you have set up a Linked Account (defined in the Agreement section of the Terms and Conditions of Your Account) with us, when an Item exceeding your checking account's Available Balance is presented for payment, funds are transferred automatically from the Linked Account to pay the Item. The \$10 Linked Account fee will be assessed on the Linked Account once per day. We will not assess a Linked Account fee if you qualify for the small amounts exception or make a Qualifying Overdraft Deposit. For an explanation of these two scenarios, please reference the Overdraft Charge and Non-Sufficient Funds (Exceptions for Small Amounts and Exceptions for Intraday Deposits) section of the Terms and Conditions of Your Account.

The Linked Account will generally transfer only enough money to return your checking account's Available Balance to zero. However, if the Linked Account's Available Balance is not sufficient to return your checking account's Available Balance to zero but the Item can still be paid by also using another overdraft-protection option (for example, Bounce Protection, another linked-account arrangement, or an overdraft line of credit), then your Linked Account's remaining Available Balance will be transferred to your checking account and the remaining amount of the Item will be covered by the other overdraft-protection option in the order it was associated with your checking account.

Please view the Fee Schedule for applicable charges for the Linked Account. You may also be charged if you exceed the number of preauthorized transfers allowed per month in your savings or money market account because each transfer from your Linked Account to your checking account will count against that limit. Please see your Truth-In-Savings Disclosures (or for business customers, the Non-Consumer Account Disclosures) for any applicable limits and fees based upon your savings or money market account type.

If your Linked Account earns interest, you should decide whether the amount of Overdraft Charges and Non-Sufficient Funds Charges on your checking account you anticipate you will avoid under the linked-account arrangement will be greater than the amount of Linked Account fees assessed and interest you will forgo by having funds transferred from the Linked Account. You may request our Truth-in-Savings Disclosures (or for business customers, the Non-Consumer Account Disclosures) for the type of linked account you propose to use to obtain information regarding how interest is determined on the linked account and any minimum balance or other requirements to earn interest on the linked account.

You may be able to avoid fees and charges using a linked-account arrangement whether or not you have Bounce Protection on your account. If you would like information on adding a Linked Account as an overdraft-protection option, call (888) 248-6423 or visit one of our branches.

**How can an overdraft line of credit help avoid Overdraft Charges on my account?**

An overdraft line of credit is an open-end credit account. It is linked to your account and will automatically advance funds to cover Items exceeding your Available Balance, subject to the available line of credit. A \$10 transaction charge will be assessed to the overdraft line of credit each day an advance or advances are initiated. Interest begins to accrue immediately on the amount transferred and the transaction charge. Credit approval is required, and minimum monthly payments that include interest must be paid.

If you would like to investigate whether an overdraft line of credit may be an appropriate product for protecting against overdrafts in your account, call (888) 248-6423 or visit one of our branches to obtain additional information.

**What if I have Bounce Protection and a Linked Account or overdraft line of credit (or both)?**

We will first transfer funds to your account from any Linked Account or overdraft line of credit before using your Bounce Protection limit to pay an Item exceeding your Available Balance. You may instruct us whether you want us to transfer from any Linked Account(s) or overdraft line of credit in a certain order. Otherwise, we will transfer from a Linked Account or overdraft line of credit in the order it was associated with your account.

**What if I do not want to have Bounce Protection on my account?**

If you would like to have Bounce Protection removed from your account, please call (888) 248-6423. If you remove Bounce Protection from your account, and if you do not have a sufficient Available Balance in your account or in any overdraft protection product linked to your account to pay each Item presented for payment on your account, we may return each Item unpaid and charge you a Non-Sufficient Funds Charge of \$36.00 for each Item we return. You may be charged additional fees by merchants or creditors. If this is a consumer account and you had previously consented that we may authorize and pay ATM transactions and everyday (non-recurring) debit card transactions that overdraw your account, we will no longer authorize or pay those transactions, and we will not charge you an Overdraft Charge or Non-Sufficient Funds Charge for those transactions.

# What You Need to Know about Overdrafts and Overdraft Fees

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If we pay a transaction which exceeds your Available Balance, the transaction will be considered an overdraft transaction and your account will be considered overdrawn. Please see the Agreement section of the Terms and Conditions of Your Account disclosure for the definition of Available Balance.

We can cover your overdrafts in two different ways:

1. We have Bounce Protection that is currently available on your account if you meet and continue to meet the qualification parameters. For more details, see the document titled "Bounce Protection Overdraft Program."
2. We also offer overdraft protection plans, such as a link to another account or overdraft line of credit, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our standard Bounce Protection overdraft practices.

## ***What are the standard Bounce Protection overdraft practices that come with my account?***

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions using your checking account number
- Automatic bill payments

We do not authorize and pay overdrafts with Bounce Protection for the following types of transactions unless you ask us to (see below):

- ATM transactions
- Everyday debit card transactions

We pay transactions that overdraw your account or continue to overdraw your account at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.

If we do not authorize and pay an overdraft, your transaction will be declined if it is an ATM or everyday debit card transaction, or returned for non-sufficient funds if it is any other type of transaction.

## ***What fees will I be charged if Flagstar Bank pays my overdraft?***

Under our standard Bounce Protection overdraft practices:

- We charge you an Overdraft Charge of **\$36.00** each time we pay an overdraft. However, we will not charge you more than five combined Overdraft Charges per day (a maximum of \$180.00 per day).
- If your Balance has been negative in any amount for 34 consecutive days, on the first Business Day after that we will charge your account a Consecutive Days Overdrawn Fee in the amount of **\$6** if the Balance of your account is negative more than \$-10 on that Business Day. We will continue to charge a Consecutive Days Overdrawn Fee in the amount of **\$6** on each Business Day that the Balance of your account is negative more than \$-10 until you make a deposit that brings your Available Balance to zero or a positive number, or until we close your account. The Consecutive Days Overdrawn Fee will be charged on a Business Day in addition to any other fees charged on that Business Day. Please see the Agreement section of the Terms and Conditions of Your Account disclosure for the definition of Available Balance, Balance and Business Day.
- If your Balance continues to be negative by any amount for 60 consecutive days, we will close your account and assess a Charge-Off Fee to your account in the amount of **\$30.00**.

## ***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 debit card transactions that exceed your Available Balance, complete the form below and deliver it to us or contact any branch or call (888) 248-6423.

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 I do not want Flagstar Bank to authorize and pay ATM and everyday debit card transactions that exceed my Available Balance with respect to the account identified below.

I want Flagstar Bank to authorize and pay ATM and everyday debit card transactions that exceed my Available Balance with respect to the account identified below.

Name: \_\_\_\_\_

Date:

Account Number:

# Electronic Fund Transfers

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Flagstar Bank  
5151 Corporate Dr.  
Troy, MI 48098  
(888) 248-6423

## Definitions for Reference

"Business Day" means Monday through Friday, excluding federal holidays, for purposes of this Electronic Fund Transfers notice. Please review other sections of the Disclosure Guide carefully because Business Day may be defined differently in other sections.

"Calendar Day" means all days in a month including weekends and holidays. Calendar Days are referred to as "day" or "days".

Other capitalized terms used in this Electronic Fund Transfers notice not otherwise defined shall have the meanings ascribed to such terms in the Terms and Conditions of Your Account document.

## Electronic Fund Transfers - Your Rights and Responsibilities

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

## Electronic Fund Transfers Initiated By Third Parties

You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and financial institution information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your financial institution and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized Credits.**

You may make arrangements for certain direct deposits (for example, from Social Security or payroll) to be accepted into your checking, money market, or savings accounts.

- **Preauthorized Payments.**

You may make arrangements to pay certain recurring bills from your checking, money market, or savings accounts.

- **Electronic Check Conversion.**

You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.

- **Electronic Returned Check Charge.**

You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for non-sufficient funds.

## **Limits, Debit Card Access and Purge**

To protect your accounts, there are daily dollar limits for ATM withdrawals, Personal Identification Number (PIN) based point-of-sale (POS), and Signature based POS purchases, even if your Available Balance is higher than the daily dollar limits. However, we may allow transactions that exceed your limits.

If you don't know your limits or would like to change these limits, please call us. We may change your limits, and will notify you if we do so. If we suspect fraud on your account or if the balance information is unavailable, we may temporarily lower your limits without notice. Other specific card limits may be disclosed separately. Refer to the Truth-In-Savings section applicable to your account type. We may suspend access to or deactivate your Flagstar Bank debit card or ATM card and purge it from our system, if your debit card or ATM card is inactive for at least 180 consecutive days. We may also immediately suspend your Flagstar Bank debit card if we suspect that your debit card may have fraudulent activity or for any other reason where we believe there is a risk to you or us.

## **Telephone Transactions**

You may access your account by telephone using your touchtone telephone, account numbers, and personal identification number (PIN) to:

- transfer funds between your checking, money market, or savings accounts.
- get balance information about checking, money market, certificate, retirement, or savings accounts.
- get transaction history about checking, money market, certificate, retirement, or savings accounts.

You may access your account for telephone transactions at the following number(s) and during the following hours:  
(888) 248-6423, 24 hours a day

## **ATM Card Transactions**

You may access your account(s) by ATM at financial institutions that accept cards through a participating network using your ATM Card and your personal identification number (PIN) to:

- deposit funds to checking, money market or savings accounts at a Flagstar owned ATM
- withdraw cash from checking, money market or savings accounts
- transfer funds from checking, money market or savings accounts to checking, money market or savings accounts at a Flagstar owned ATM
- get balance information about checking, money market or savings accounts

## **Currency Conversion and International Transactions**

When you use your VISA® debit card or ATM card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or Posting date.

If there is a currency conversion, the International Service Assessment is 1% of the transaction. The fee we charge you for international transactions/currency conversions is disclosed separately. For more information, see the Fee Schedule Disclosure. An international transaction is a transaction where the country of the merchant or ATM is outside the USA.

## **Advisory Against Illegal Use**

You agree not to use your card(s) for illegal gambling or other illegal purposes. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

## **Debit Transaction and ATM Card Processing**

You may use your Flagstar Bank ATM or debit card to perform certain transactions at ATMs. The transactions you may perform include:

- Withdrawing cash;



- Transferring funds between accounts;
- Conducting balance inquiries;
- Making deposits.\*

You may also use your card in digital wallet services and to purchase goods and services at merchants that accept ATM or debit cards if they are part of a participating PIN or signature point-of-sale (POS) card network. Purchases made using your Flagstar Bank debit card or ATM card are subtracted from your designated Flagstar Bank account. PIN based transactions generally are settled the same day. Signature based transactions, on the other hand, may take longer to settle. Therefore, a Temporary Debit Authorization Hold is created on the account, reducing your Available Balance by the amount of such hold. The merchant where you use your debit card requests the Temporary Debit Authorization Hold, and later sends the debit card transaction to us for payment. The merchant controls the amount of the Temporary Debit Authorization Hold, not us. The Temporary Debit Authorization Hold will not necessarily be for the same amount as the transaction eventually presented to us for payment and Posted to your account.

A Temporary Debit Authorization Hold is frequently placed on funds in your account when you use your debit card.

A Temporary Debit Authorization Hold reduces your Available Balance until the Temporary Debit Authorization Hold is released. This is important to you because if an Item exceeding your then-existing Available Balance is presented to us for payment, you may be assessed a Non-Sufficient Funds Charge if we return the Item or an Overdraft Charge if we pay the Item. You may be assessed an Overdraft Charge or Non-Sufficient Funds Charge even if the amount of the Temporary Debit Authorization Hold is more or less than the amount of the transaction giving rise to such Hold.

Most Temporary Debit Authorization Holds are released in one of two ways: either (a) when the transaction is presented to us for payment, the Temporary Debit Authorization Hold is released and the transaction is simultaneously Posted to your account; or (b) if the transaction has not Posted to your account within 48 hours of the Temporary Debit Authorization Hold being requested, we will automatically release the Temporary Debit Authorization Hold after 48 hours. Under the second scenario, keep in mind that the transaction may still be presented and Post to your account after we have released the Temporary Debit Authorization Hold.

Remember that we assess Overdraft and Non-Sufficient Funds Charges on an Item exceeding your Available Balance at the time the Item is presented for payment. Just because your Available Balance was sufficient to cover a debit-card transaction at the time the Temporary Debit Authorization Hold was created does not mean it will still be sufficient when the debit-card transaction is submitted to us for payment.

You may also use your Flagstar Bank debit card to obtain cash at financial institutions that accept cards through a participating network.

If you use your card with a merchant to pay for your purchases via periodic payments, you must notify the merchant if your card number or expiration date has changed or your debit or ATM card or your account is suspended or closed. In addition, we may provide the merchant or the participating network your new account number or expiration date (or both).

You may request or we will issue you a Personal Identification Number (PIN) for use at ATMs and at merchants that accept ATM or debit cards.

The service marked with an asterisk (\*) is available at Flagstar Bank ATMs only.

## **Online Banking**

You may access your accounts online at [www.flagstar.com](http://www.flagstar.com) using your computer or similar, compatible device having online access to:

- transfer funds from your checking, money market, or savings accounts to your checking, money market, or savings accounts with us or at other financial institutions.
- make payments from your checking or money market accounts to your loans and various merchants.
- get balance information about checking, money market, certificate, retirement, or savings accounts.
- get transaction history about checking, money market, certificate, retirement, or savings accounts.

## **Limits and Fees**

Please refer to the Fee Schedule for information about fees and limitations that may apply to these electronic fund transfers.

## **ATM Operator/Network Fees**

When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

## **Option To Limit Cash Withdrawals**

In addition to any dollar limitations for withdrawals that we may establish, you have the option to limit the amount of cash that can be withdrawn using your ATM Card or Debit Card to \$50 per day or some other amount acceptable to us.

## **Documentation**

**Terminal Transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.

**Preauthorized Credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company:

- the person or company making the deposit will tell you every time they send us the money.
- you can call us at (888) 248-6423 to find out whether or not the deposit has been made.

**Periodic Statements.** You will get a monthly account statement from us for your checking, money market and statement savings account. If your account has no activity, meaning no deposits or withdrawals were made during one complete statement cycle, we will send you quarterly statements. When activity resumes on the account, we will revert to sending monthly statements. If you receive a quarterly statement, service charges will continue to be assessed, when applicable, based on monthly statement cycles.

## **Preauthorized Payments**

### ***Right to Stop Payment and Procedure for Doing So.***

If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this disclosure in time for us to receive your request three Business Days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

### ***Notice of Varying Amounts.***

If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

### ***Liability for Failure to Stop Payment of Preauthorized Transfer.***

If you order us to stop one of these payments three Business Days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

## **Financial Institution's Liability**

### ***Liability for Failure to Make Transfers.***

If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. If you have an overdraft line of credit and the transfer would go over the credit limit.
3. If the automated teller machine where you are making the transfer does not have enough cash.
4. If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
5. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.

6. There may be other exceptions stated in our agreement with you.

## **Confidentiality**

We will disclose information to third parties about your account or the transfers you make:

1. where it is necessary for completing transfers; or
2. in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. in order to comply with government agency or court orders; or
4. if you give us written permission.

## **Regulatory Authority**

If you believe that any provision of the Electronic Funds Transfer Act has been violated you should notify the

Bureau of Consumer Financial Protection at:

P.O. Box 2900

Clinton, IA 52733-2900

## **Unauthorized Transfers**

### ***(a) Consumer Liability.***

Generally, Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Calling the Bank is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 Business Days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do NOT tell us within 2 Business Days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

### ***Additional Limit on Liability for Visa® Debit Cards.***

Unless you have been negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Visa Card. This additional limit on liability does not apply to ATM transactions outside of the U.S., to ATM transactions not sent over Visa or Plus networks, or to transactions using your Personal Identification Number (PIN) which are not processed by Visa. (Visa is a registered trademark of Visa International Service Association.)

### ***(b) Contact in Event of Unauthorized Transfer.***

If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the information from your check without your permission.

## **Error Resolution Notice**

In case of errors or questions about your electronic transfers, call or write us at the telephone number or address listed in this disclosure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

(1) Tell us your name and account number (if any).

(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.

(3) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 Business Days.

We will determine whether an error occurred within 10 Business Days (20 Business Days if the transfer involved a new account or 90 days if the transfer involved an Individual Retirement Account or Health Savings Account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 Business Days (20 Business Days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 Business Days, we may not credit your account. We will not credit an Individual Retirement Account or Health Savings Account until we have determined whether an error occurred. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

### ***Refusal to Honor Card***

In the event the card is not honored by a merchant, machine or others or the card is retained, you recognize that electronic terminals, merchants, financial institutions and others who might otherwise honor the card may not be able to determine your actual Available Balance or Balance or may have other limits or requirements. Therefore, we are not liable for the refusal or inability of such terminals or persons to honor the card or to complete a card withdrawal, or for their retention of the card.

### ***Transaction Slips***

The statement for the account will identify the merchant, financial institution or electronic terminal at which card withdrawals were made, but sales, cash withdrawals, credit vouchers or other slips you sign or receive cannot be returned with the statement. You will retain the copy of such slips furnished at the time of the transaction in order to verify the statement. We may make a reasonable charge for photocopies of slips you may request.

### ***Returns and Adjustments***

Merchants and others who honor the card may give credit for returns or adjustments, and they will do so by initiating a credit to us. We will credit that amount to your account. We cannot honor stop payment requests on Card withdrawals.

### ***Foreign Transactions***

We may, from time to time, block debit card, ATM withdrawals and purchases made using a Personal Identification Number (PIN) and point-of-sale transactions, in some countries due to suspected fraud.

### ***Contact Information***

**If you have inquiries regarding your account or need more information regarding our error resolution procedures, please contact us at:**

Flagstar Bank  
Item Processing Department  
301 West Michigan Avenue  
Jackson, MI 49201

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Customer Service (including lost/stolen card) call: U.S. & Canada: (888) 248-6423; International: (248) 312-2325

MORE DETAILED INFORMATION ON THE NOTICE OF ATM/NIGHT DEPOSIT FACILITY USER PRECAUTIONS IS AVAILABLE UPON REQUEST

PHONE: (888) 248-6423

# Substitute Checks and Your Rights

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## **Financial Institution Name and Address**

Flagstar Bank  
5151 Corporate Dr.  
Troy, MI 48098  
(888) 248-6423

## **Definitions for Reference**

"Calendar Day" means all days in a month including weekends and holidays. Calendar Days are referred to as "day" or "days".

"Business Day" means Monday through Friday, excluding federal holidays, for purposes of this Substitute Checks and Your Rights notice. Please review other sections of the Disclosure Guide carefully because Business Day may be defined differently in other sections.

Other capitalized terms used in this Substitute Checks and Your Rights notice not otherwise defined shall have the meanings ascribed to such terms in the Terms and Conditions of Your Account document.

## **What is a substitute check?**

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

## **What are my rights regarding substitute checks?**

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500.00 of your refund (plus interest if your account earns interest) within 10 Business Days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

## **How do I make a claim for a refund?**

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at:

Item Processing Department

301 West Michigan Avenue  
Jackson, MI 49201

Phone: (888) 248-6423

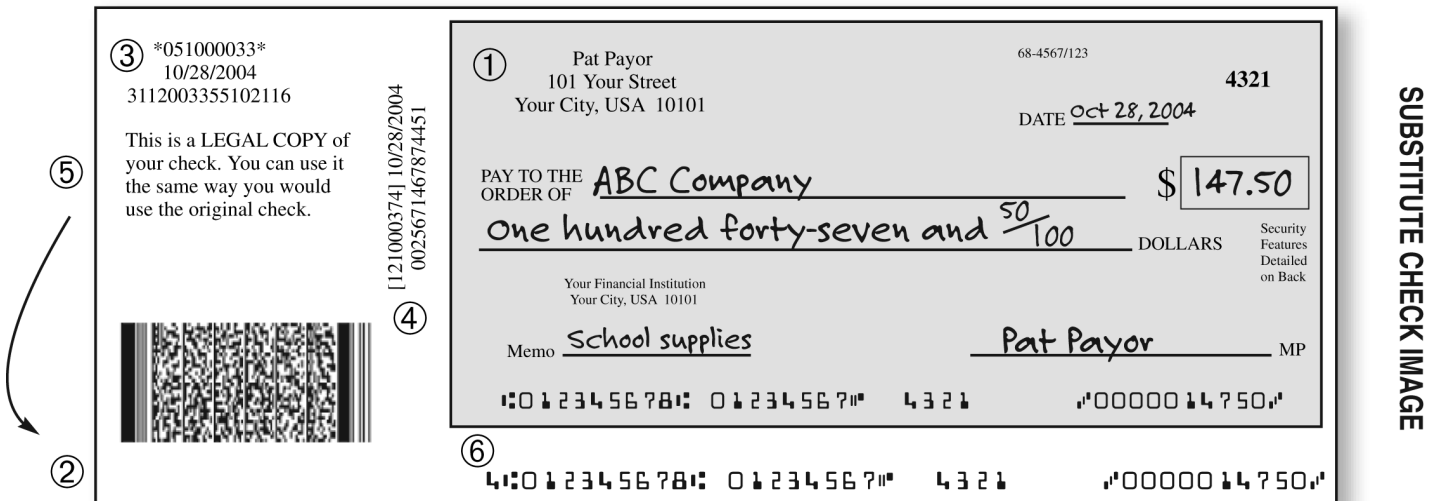
You must contact us within 40 days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include -

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check and/or the following information to help us identify the substitute check:
  - Check Number,
  - Amount of the check,
  - Date of the check,
  - Name of the person to whom you wrote the check, and
  - Account Number

### Substitute Check Image

Below is an image of a sample substitute check. The numbers listed below the image correspond with the numbers on or near the substitute check image and the corresponding text explains the various components of a substitute check.



1. An image of the original check appears in the upper right-hand corner of the substitute check.
2. A substitute check is the same size as a standard business check.
3. The information in asterisks relates to the "reconverting bank" - the financial institution that created the substitute check.
4. The information in brackets (appears sideways facing check image) relates to the "truncating bank" – the financial institution that took the original check out of the check processing system.
5. The legal Legend states: *This is a legal copy of your check. You may use it the same way you would use the original check.*

6. The MICR lines at the bottom of the image of the original and at the bottom of the substitute check are the same except for the "4" at the beginning of the substitute check number, which indicates that it is a substitute check being moved forward for collection purposes. It is also possible for a substitute check number to begin with a "5" if the item is being returned. The rest of the MICR line is the same as the original check to ensure that it is processed as though it were the original.

# Funds Availability Disclosure

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This is important information about your ability to withdraw funds from:

**Flagstar Bank**  
**5151 Corporate Dr.**  
**Troy, MI 48098**  
**(888) 248-6423**

## **Definitions for Reference**

This policy statement applies to “*transaction accounts*”. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Checking accounts are the most common transaction accounts. Feel free to ask us whether any of your other accounts might also be under this policy.

“Business Day” means every Calendar Day except Sundays and federal holidays, for purposes of this Funds Availability Disclosure. Please review other sections of the Disclosure Guide carefully because Business Day may be defined differently in other sections.

“Calendar Day” is defined as all days in a month including weekends and holidays. Calendar Days are noted as “day(s)”.

Other capitalized terms used in this Funds Availability Disclosure not otherwise defined shall have the meanings ascribed to such terms in the Terms and Conditions of Your Account document.

## **Transaction Accounts**

Our policy is to make funds from your check deposits available to you on the second Business Day after the day we receive your deposit, with the first \$225 available by the first Business Day after the day of your deposit. Electronic direct deposits will be available on the effective/settlement day of the deposit. The effective/ settlement day may differ from the day we receive the deposit, in which case the deposit may show as “pending” until the Business Day the transaction is dated from the originating company or individual. Cash, wire transfers, and some specified check deposits will also be available before the second Business Day, as detailed below. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

The length of the delay is counted in Business Days from the day of your deposit. If you make a deposit on a Business Day that we are open, we will consider that Business Day to be the Business Day of your deposit. However, if you make a deposit on a day we are not open, we will consider the deposit to be made on the next Business Day we are open. The length of the delay varies depending on the type of deposit and is explained below.

If you make a deposit at an ATM before 9 p.m. ET on a Business Day that we are open, we will consider that Business Day to be the Business Day of your deposit. However, if you make a deposit at an ATM after 9 p.m. ET or on a day we are not open, we will consider that the deposit was made on the next Business Day we are open.

### ***Same-Day Availability.***

Funds from electronic direct deposits to your account will be available on the effective/settlement day of the deposit. The effective/settlement day may differ from the day we receive the deposit, in which case the deposit may show as “pending” until the Business Day the transaction is dated from the originating company or individual.

If you make a cash deposit in person to one of our employees, the funds will be available on the Business Day we receive the deposit.

### ***Next-Day Availability.***

Funds from the following deposits are available on the first Business Day after the day of your deposit:



- U.S. Treasury checks that are payable to you
- Checks drawn on Flagstar Bank

If you make the deposit in person to one of our employees, funds from the following deposits are also available on the first Business Day after the day of deposit:

1. State and local government checks that are payable to you if you use a special deposit slip available from our tellers.
2. Cashier's, certified, and teller's checks that are payable to you if you use a special deposit slip available from our tellers.
3. Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these Items are payable to you.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second Business Day after the day we receive your deposit.

### ***Other Check Deposits Subject to Second-Day Availability***

The first \$225 from a deposit of other checks will be available by the first Business Day after the day of your deposit. The remaining funds will be available on the second Business Day after the day of your deposit.

For example, if you deposit a check of \$700 on a Monday, \$225 of the deposit is available on Tuesday. The remaining \$475 is available on Wednesday.

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

### ***Longer Delays May Apply***

**Safeguard Exceptions.** Funds you deposit by check may be delayed for a longer period under the following circumstances:

1. We believe a check you deposit will not be paid.
2. You deposit checks totaling more than \$5,525 on any one day.
3. You redeposit a check that has been returned unpaid.
4. You have overdrawn your account repeatedly in the last six months.
5. There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh Business Day after the day of your deposit.

### ***Special Rules for New Accounts***

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the effective/settlement day of the deposit. The effective/settlement day may differ from the day we receive the deposit, in which case the deposit may show as "pending" until the Business Day the transaction is dated from the originating company or individual. Funds from deposits of cash, wire transfers and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first Business Day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525 will be available on the seventh Business Day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second Business Day after the day of your deposit.

Funds from all other check deposits will be available on the fourth Business Day after the day of your deposit.

### ***Deposits at Automated Teller Machines or Mobile Check Deposit***

Funds from any deposits (cash or check) made via mobile check deposit or at a Flagstar automated teller machine (ATM) we own or operate may not be available until the second Business Day after the day of your deposit with \$225 available

by the first Business Day after the day of your deposit. The other sections for same-day and next- day availability noted above do not apply for these types of deposits.

All ATMs that we own or operate are identified as our machines.

# Common Features - Fee Schedule

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Flagstar Bank  
5151 Corporate Dr.  
Troy, MI 48098  
(888) 248-6423

## Fee Schedule

The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account:

Fees are assessed each Business Day, where applicable. "Business Day" means Monday through Saturday, excluding federal holidays, for any fees listed, unless otherwise noted. Please review other sections of the Disclosure Guide carefully because Business Day may be defined differently in other sections.

"Calendar Day" means all days in a month including weekends and holidays. Calendar Days are referred to as "day" or "days".

### COLLECTIONS

Cashier's check (each)	\$7.00
Counter check (per page)	\$2.00
Money Order (each)	\$5.00
On-us check cashing fee, non-customer (each)	\$7.50
Incoming Wire, Domestic, customer (each)	\$10.00
Incoming Wire, International, customer (each)	\$15.00
Outgoing Wire, Domestic, customer (each)	\$30.00
Outgoing Wire, International, customer (each)	\$45.00
Bond coupon redemption (per envelope)	\$5.00
Incoming Collection, Domestic (each)	\$20.00
Outgoing Collection, Domestic (each)	\$40.00
Incoming Collection, Foreign (each)	\$40.00
Outgoing Collection, Foreign (each)	\$40.00
Account closed within 180 days of opening (each)	\$15.00
Returned deposited item or Returned check charge (each)	\$12.00
Coin charge (each)	7.5%
Check printing orders	Dependent on type of checks ordered
Amortization schedule (each)	\$20.00
Direct deposit	No Charge

Charge-Off Fee (each)	\$30.00
<p>If your Balance continues to be negative by any amount for 60 consecutive days, we will close your account and will assess a Charge-Off Fee to your account.</p>	
<b>RESEARCH AND ADMINISTRATION</b>	
Stop Payments (each)	\$36.00
Non-Sufficient Funds (NSF) Charge (each)	\$36.00
<p>A charge for a returned, unpaid Item (also known as insufficient funds) for all checking and money market accounts other than SimplyOne. There is a combined limit of five Non-Sufficient Funds and Overdraft Charges per Business Day. Please see the Overdrafts and Non-Sufficient Funds section of the Terms and Conditions of Your Account for additional details on how to avoid this charge.</p>	
Overdraft Charge (each)	\$36.00
<p>A charge for an overdraft, paid Item (also known as Bounce Protection charge) for all checking and money market accounts other than SimplyOne. There is a combined limit of five Non-Sufficient Funds and Overdraft Charges per Business Day. Please see the Overdrafts and Non-Sufficient Funds section of the Terms and Conditions of Your Account for additional details on how to avoid this charge.</p>	
Linked Account (Deposit Overdraft (OD) Protection) transaction fee	\$10.00
<p>(one per day when one or more transfers occur between eligible deposit accounts). Please note, the fee may be assessed after 9 p.m. ET and will not happen directly after the transfer occurs. See the Linked Account (Deposit Overdraft Protection) section of the Terms and Conditions of Your Account disclosure for more details.</p>	
Consecutive Days Overdrawn (OD) Fee	\$6.00
<p>If your Balance has been negative in any amount for 34 consecutive days, on the first Business Day after that we will charge your account a Consecutive Days Overdrawn Fee if the Balance of your account is negative more than \$-10 on that Business Day. We will continue to charge a Consecutive Days Overdrawn Fee on each Business Day that the Balance of your account is negative more than \$-10 until you make a deposit that brings your Balance to zero or a positive number, or until we close your account. The Consecutive Days Overdrawn Fee will be charged on a Business Day in addition to any other fees charged on that Business Day. Also, the Consecutive Days Overdrawn Fee does not apply to the SimplyOne accounts.</p>	
Levy, garnishment, child support or other legal action (each)	\$100.00
Account Inactivity fee (each month)	\$10.00
<p>An account is inactive if no deposits or withdrawals have been made for six consecutive months. This fee does not apply to Certificate of Deposits, Health Savings Accounts, Individual Retirement Accounts, SimplyOne, Money Markets or Minor Savings. The fee will only be charged on our other deposit accounts as described below:</p> <p>Personal Checking: Fee is charged on accounts with a Balance of less than \$1,000.00  Personal Savings: Fee is charged on accounts with a Balance of less than \$100.00</p>	
Escheated account fee (each)	\$50.00
<p>An account can be escheated if no deposits or withdrawals have been made in three years</p>	
Interim statement (each)	\$5.00
Account research, per hour charge (one hour minimum charge)	\$30.00

Account activity printout (each)	\$5.00
Reconcile bank statement, per hour (one hour minimum charge)	\$30.00
Copy of check (each)	\$3.00
Photocopy, each page	\$1.00
Notary service, customer (each)	No Charge
Ownership change fee (each account)	\$25.00
Excess debits fee (each) for Money Market and Savings accounts	\$10.00
<b>ELECTRONIC SERVICES</b>	
Flagstar ATM Withdrawal, Deposit, Balance Inquiry, Transfer (each)	Free
Non-Flagstar Domestic ATM Withdrawal, Balance Inquiry, Transfer (each)	\$2.50
Non-Flagstar International ATM Withdrawal, Balance Inquiry, Transfer (each)	\$2.50
Exchange Rate Adjustment (Currency Conversion Factor) - POS or ATM	3%
Additional or replacement ATM/Debit card (each)	\$5.00
Expedited Debit Card Delivery (each)	\$50.00
Bank to Bank - Next Business Day Outbound (each)	\$2.00
Bill Pay Expedited Payment (each)	\$4.00
Overnight Check Fee	\$16.00
<b>RETIREMENT ACCOUNTS</b>	
Retirement Plan Fee (Individual Retirement Account, Simplified Employee Pension, and Health Savings annual administration)	\$5.00
<b>SAFE DEPOSIT BOXES</b>	
Annual rental, where available	Varies by size and branch location
One lost key	Cost to replace the lock and issue new keys
Two lost keys	Cost to drill and replace the lock and keys
Safe deposit box late payment (after 30 days)	\$10.00
<b>NIGHT DROP</b>	
Nylon locking bag (each)	\$25.00
Vinyl, non-locking bag (each)	\$5.00
Hold night drop bag (each per day)	\$2.00
Disposable night drop bags (pack of 10)	\$2.00

# About Your Privacy

Rev. 02/2018

FACTS	WHAT DOES FLAGSTAR BANK DO WITH YOUR PERSONAL INFORMATION?
WHY?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
WHAT?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and credit scores</li> <li>• Account transactions and checking account information</li> <li>• Transaction history and payment history</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
HOW?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Flagstar Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information:	Does Flagstar Bank share?	Can you limit this sharing?
<b>For our everyday business purposes</b> -such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> -to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes</b> -information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes</b> -information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

<b>QUESTIONS?</b>	Call (888) 248-6423 for questions about privacy and your bank account, or call (800) 634-6486 for questions about privacy and your loan, or visit <a href="http://flagstar.com">flagstar.com</a> .
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WHO WE ARE	
<b>Who is providing this notice?</b>	1) Flagstar Bank 2) Desert Community Bank, a division of Flagstar Bank 3) Opes Advisors, a division of Flagstar Bank
WHAT WE DO	
<b>How does Flagstar Bank protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Flagstar Bank collect my personal information?</b>	We collect your personal information, for example, when you: <ul style="list-style-type: none"> <li>• Open an account or deposit money</li> <li>• Pay your bills or apply for a loan</li> <li>• Use your debit card</li> </ul> We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
<b>Why can't I limit all sharing?</b>	Federal law gives you the right to limit only: <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes-information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing.

DEFINITIONS	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <i>Our affiliates include companies with a Flagstar name, Douglas Insurance Agency, Inc., and Long Lake MSR, Inc.</i>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <i>Flagstar Bank does not share with nonaffiliates so they can market to you.</i>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <i>Our joint marketing partners include categories of companies such as insurance and credit card companies.</i>

**Questions about privacy and your bank account:**

(888) 248-6423

**Questions about privacy and your loan:**

(800) 634-6486

flagstar.com	Est. 1987		 Equal Housing Lender	Member FDIC	
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