

F&M Bank OVERDRAFT PRIVILEGE Program Disclosure *(A Discretionary Overdraft Service)*

F&M Bank offers an Overdraft Privilege Program to eligible consumer customers. If your account qualifies for the Overdraft Privilege Program, we will consider, without obligation on our part, paying items for which your account has insufficient or unavailable funds, instead of automatically returning those items unpaid. Whether your overdrafts will be paid is discretionary and we reserve the right not to pay.

A non-sufficient funds (negative) balance may result from the following:

- > Payment of checks and debit card transactions.
- > Payment of electronic funds transfers (ACH items).
- > Payment of other withdrawal requests.
- > The imposition of bank service charges.
- > The return of unpaid items deposited by you.

In the normal course of business, we generally pay teller cashed checks (low to high) first and then electronic funds transfers, other withdrawal requests, and checks (low to high). 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. You should also be aware that the order of item payment may create multiple overdrafts during a single banking day for which you will be charged the standard non-sufficient fund fee and overdraft fee disclosed on our Banks Schedule of Fees and below. We may refuse to pay an overdraft for you at any time, even though we may have previously paid overdrafts for you. You will be notified by mail of any non-sufficient items paid or returned on your account. We are not obligated to notify you before we pay or return any item.

To Qualify for the Overdraft Privilege

Our discretionary Overdraft Privilege Program is available only to eligible personal checking accounts primarily used for personal and household purposes. Business accounts and Money Market accounts are not eligible. Eligible accounts will be assigned their predetermined overdraft limit on the 31st day after account opening provided the account meets the conditions (1-7) listed below. You will not receive notification of the Overdraft Privilege Program decision; however you may contact us on the 32nd day and request information about the decision made (1-800-645-4199).

It is the policy of F&M Bank to comply with applicable laws and regulations, and to conduct business in accordance with applicable safety and soundness standards. Accordingly, there are a few conditions that will apply in order to receive and maintain this Overdraft Privilege Service:

1. Each account owner must be eighteen (18) years old.
2. The account cannot have an overdraft within the first 30 days of account opening.
3. The account type cannot be one of the following: fiduciary, trust, IOLTA or escrow.
4. There can be no legal orders, levies or liens against your account.
5. The account cannot have continued and/or repeated overdrafts resulting in an overdraft balance for more than 30 days.
6. You are more than 30 days past due on any Bank loan or delinquent on any other obligation to the Bank.

This discretionary Overdraft Privilege Service will generally be limited to:

- > A \$700 overdraft (negative) balance for each Personal Checking Account.

Fees:

As a rule; we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft PLUS the bank's standard NSF fee of \$37 (per item) and a \$7.00 (per business day) negative balance fee will be deducted from the overdraft limit. The maximum amount of overdraft fees we can assess is limited to \$192.00 per day. This consists of 5 -\$37.00 (\$185) fees and 1 -\$7.00 fee. In accordance with Regulation E, if you have opted-out of having your ATM and one time point-of-sale transactions approved against your assigned Overdraft Privilege limit, our Banks standard NSF fee of \$37 (per item) and \$7 (per business day) negative balance fee will not be imposed for these transactions.

Overdraft Privilege should not be viewed as an encouragement to overdraw your account. We encourage you to manage your finances responsibly. In the event you would like to have this service removed from your account, you can do so by calling 1-800-645-4199 (toll free) or any of our branch locations. However, you are still responsible for any overdrawn balances at the time of opting out of our Overdraft Privilege Program.

Opt Out Notice:

You have the right to refuse this Overdraft Privilege Program at any time. You can notify us of your decision in person or by signing and mailing the Overdraft Privilege Program Opt Out Request. You may also ask about less expensive alternative to this Overdraft Privilege Program, such as: linking to another account you own or establishing a line of credit loan.

Overdraft Privilege Program - Opt Out Request

Account Name:

Account Number:

Current Date:

As of the above date, I request F&M Bank to not activate or remove the Overdraft Privilege Program from the account number noted below. I understand that any and/or all of my insufficient fund transactions listed below may be returned to the payee. I agree to hold the bank harmless, and without liability, for any Payee fees or other consequences that may result from this action.

- Payment of checks and debit card transactions
- Payment of electronic funds transfers (ACH items)
- Payment of other withdrawal requests

Do Not Activate the Overdraft Privilege Program for my Account Number(s):

Non-Sufficient and Overdraft Fees

As a rule; we will not approve an overdraft for you in excess of your available account balance. The bank's standard NSF fee is \$37 (per item) and negative balance fee is \$7.00 (per business day). The maximum amount of overdraft fees we can assess is limited to \$192.00 per day. This consists of 5 - \$37.00 fees and 1 - \$7.00 fee. We may refuse to pay an overdraft for you at any time, even though we may have previously paid overdrafts for you. You will be notified by mail of any non-sufficient items paid or returned on your account. We are not obligated to notify you before we pay or return any item.

If the account(s) is a jointly owned, by signing below you agree that only one account owner is necessary for the bank to suspend the Overdraft Privilege Program. Further, I acknowledge I/we have the right to request the bank to reinstate the Overdraft Privilege Program at any time on the condition I/we make the request in writing and are eligible.

Customer Signature

Date