

Disclosure Regarding Payment of Items

In maintaining an account with Crockett National Bank, we feel it is important for you to understand how payments are processed. The law permits us to pay items drawn on your account in any order. Items that are paid through your account include cash withdrawals, checks, automatic bill pay, debit card items (Point of Sale transactions, ATM transactions, and when a card number is given over the phone or online), preauthorized ACH items that you set up automatically, and other transfers (either manually by us under your direction or automatically through internet banking).

Items are typically paid as follows:

- electronic items or in person transfers (such as ATM withdrawals, Point of Sale and other debit card transactions, cash withdrawals, and On-us checks) will be considered first
- telephone transactions and bill pay electronic transactions, as well as other electronic payments will be considered next
- checks and bill pay paper drafts will be considered last

We try to pay the most important (largest) items within each of these categories, such as your rent, mortgage, or car payment first. However, this may increase the overdraft or nonsufficient funds charges assessed on your account if funds are not available to pay your smaller items.

Your available balance consists of your current balance less any pending transactions presented that day. When using your debit card, the debit amount pending on your account may not be the actual transaction amount. For example, a merchant (gas station) may process your debit card information at the pump to authorize the transaction (your gas purchase). The amount the gas merchant typically attempts to authorize is less than the actual purchase amount, usually only \$1. This is called a preauthorization. This \$1 transaction is considered a “pending” transaction until the merchant completes the transaction process which may take up to 2 days. Once the merchant finalizes the transaction, the actual amount (for example \$55) is deducted from your account balance and replaces the \$1 pending transaction. This also holds true for other merchants such as restaurants, hotels, etc. Please take into consideration these types of transactions when verifying your available account balance. The balance you obtain will change once the actual transactions are deducted from your account which may cause your account to become overdrawn and subsequent overdraft or nonsufficient funds charges to be assessed.