

## DISCLOSURE REGARDING PAYMENT OF ITEMS

Effective June 1, 2015

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 pay the items in each category listed above in the order the file is received by the Bank, and check number order within each file.

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. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item which will create an overdraft in your account or return the item marked "NSF", resulting in a fee of \$30.00 per item. If you have opted-in to allow the bank to pay these transactions into the overdraft, our fee for paying an overdraft is \$30.00 per item.

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 applies 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.

We encourage you to keep careful records and practice good account management. This will help you avoid writing checks or drafts without sufficient funds and incurring the resulting fees.