

What You Need to Know about Overdrafts and Overdraft Fees

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account.
2. We also offer overdraft protection plans, such as a link to a savings account, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our standard overdraft practices.

What are the standard overdraft practices that come with my account?

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

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

We do not authorize and pay overdrafts for the following types of transactions unless you ask us to:

- ATM transactions
- Everyday debit card transactions

We pay overdrafts 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.

What fees will I be charged if Southern Michigan Bank & Trust pays my overdraft?

Under our standard overdraft practices:

- We will charge you a fee of up to **\$32** each time we pay an overdraft
- Also, if your account is overdrawn for 5 or more consecutive calendar days, we will charge an additional \$5 per business day.

There is no limit on total fees we can charge you for overdrawing your account.

What if I want Southern Michigan Bank & Trust to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call your local branch, visit www.smb-t.com, or complete the form below and take it to a local branch or mail to:

PO Box 309, 51 West Pearl Street, Coldwater, MI 49036.

Effective August 15, 2010

_____ I want Southern Michigan Bank & Trust to authorize and pay overdrafts on my ATM and everyday debit card transactions.

_____ I do not want Southern Michigan Bank & Trust to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____

Date: _____

Account Number(s): _____



Continuous Banking Since 1872

For office use only:

Date received _____