

Important Information About Overdraft Fees, Declined or Returned Items & Debit Cards

Overdrafts and Declined or Returned Items

An overdraft occurs when a debit transaction (for example, a check, ATM withdrawal or debit card purchase) exceeds the **available balance** in your account and the Bank still approves and pays the transaction. Overdrafts will typically result in the account being charged an overdraft fee and may be caused by checks, in-person withdrawals, or by other electronic transactions. The Bank's decision to pay transactions that overdraw your account is discretionary. The fact that the Bank pays a transaction that overdraws your account does not obligate it to pay later overdraft transactions. You should not rely on the Bank to pay overdrafts on your account regardless of how often it has paid overdraft transactions in the past.

Declined or Returned Items occur when a debit transaction exceeds the **available balance** in your account and the Bank returns the transaction unpaid. Declined or Returned Items may be checks or electronic transactions. Declined or Returned Items may be presented multiple times by the merchant or other payee until it is paid, and the Bank does not monitor or control the number of times an item is presented for payment.

For personal checking and savings accounts only, the Bank limits fees you may incur for overdraft items each business day to the first six (6) items that occur. Any items after the first six (6) on any one business day will not be charged a fee. In addition, the Bank does not impose fees on personal checking and savings accounts whose end of day balance is overdrawn by \$5 or less, or for items that overdraw personal checking and savings accounts in amounts of \$5 or less.

What is an available balance?

The available balance is the amount of money in your account, minus any holds (such as **outstanding debit card authorizations**) and deposits that are not yet available due to the Bank's Funds Availability Policy Disclosure. In other words, the available balance takes ACH credit transactions and debit card transactions that have been authorized, but not yet settled, and subtracts them from the actual balance. The available balance does not include checks you have written that have not yet cleared, pending online bill pay transactions, or pre-scheduled debits (e.g., health club dues automatically debited from your account at a certain time each month). Your available balance can fluctuate during the day as it is updated to reflect transactions you make, such as cash deposits, direct deposits, account transfers, withdrawals, and debit card purchases. You can determine your available balance at the ATM, by phone or by accessing your account Online or with Mobile Banking.

What is an outstanding debit card authorization hold?

On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. Transactions where this typically occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. The Bank's processing system cannot determine whether the amount of the hold exceeds the actual purchase amount. The temporary hold will eventually be adjusted upon final settlement; however, until the adjustment is made, the hold amount will be deducted from your available balance. While most debit card transactions are settled within one business day, the actual timing rests with the merchant and is out of the Bank's control. In some cases when final settlement is delayed, the outstanding authorization is released, which causes the available balance to appear larger than expected.

Can an outstanding debit card authorization hold result in overdraft fees for me?

A merchant's outstanding debit card authorization hold request will alter the available balance in your account. If another transaction is presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, an overdraft fee may be charged according to the Bank's overdraft fee policy. The fee may be charged even if there would have been sufficient funds in the account if the amount of the hold had been equal to the amount of the purchase.

Example: Fred has a \$100 available balance and makes a \$75 debit card purchase. His available balance will be immediately reduced by \$75, or the amount of the debit card authorization hold. If he makes another purchase or withdrawal beyond the remaining available balance of \$25, it will result in a fee being assessed.

Will the debit card authorization hold always equal the exact amount of my transaction?

No. Some merchants, especially gas stations, hotels, and some restaurants, will authorize a hold amount that is higher or lower than the actual purchase amount. For example:

Gas stations: Many gas stations preauthorize transactions for amounts ranging from \$1 to \$75 because they do not know how much gas you will pump in advance of your transaction. If they preauthorize \$75, we will place a hold for \$75, even if your actual transaction is only \$45.

Hotels: When using a debit card to make reservations in advance, hotels will authorize an authorization hold amount equal to the first night's stay, or more, depending on the length of your stay. This will result in a hold on your account for several days. When you arrive, the hotel may place another authorization hold, often larger than the cost of your stay to cover possible incidental expenses.

Car Rental Companies. When renting an automobile, most car rental companies typically authorize an amount greater than the actual cost to cover any additional expenses.

Restaurants. Many restaurants authorize an amount that is slightly larger than the bill if you include gratuity on your card transaction. Alternatively, the restaurant may authorize the amount of bill which does not include any gratuity you may add.

How will I know if a debit card authorization hold has been placed?

Authorization hold transactions will appear as ***Pending Transactions*** within Bank OZK Online Banking and Mobile Banking. You can also obtain your available balance through our automated telephone banking line and at Bank OZK ATMs. In addition, you may use Online and Mobile Banking alerts to notify you via email when your account reaches a balance threshold you specify.

Please note: Online Banking and Mobile Banking require enrollment.

Can I overdraw my account at the ATM or with my debit card?

We do not authorize and pay overdrafts for ATM and one-time (sometimes referred to as "everyday") debit card transactions unless you ask us to. 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. If you want us to authorize and pay overdrafts on ATM and one-time debit card transactions, you must affirmatively opt-in to this service. To learn more, stop by your nearest Bank OZK branch or call 1-800-274-4482.

If you place a hold on my account and the transaction later posts to my account, is there a chance you will subtract it again?

When merchants authorize a hold amount that is different from the final transaction, there is a chance the hold and the final transaction will not match, and the hold will not release. If the transaction does not match the hold, the hold on the account normally releases within 72 hours; however, the actual timing rests with the merchant and is out of the Bank's control.

How are transactions deducted from my account?

At Bank OZK, the payment order is designed to ensure check clearing procedures and item processing order is fair and does not maximize customer overdrafts. Specifically, the Bank has the following payment order for customer debits, following the posting of customer credits:

Checking and Money Market Deposit Accounts. (1) Online Banking transactions and Outgoing Wires - smallest to largest, (2) ATM and Debit Card transactions - smallest to largest, (3) ACH Debit transactions - serial number order if possible, otherwise smallest to largest, (4) Checks presented in person - cashed checks and then deposited checks in serial number order, (5) Other Checks and Online Bill Payments that are not converted to ACH - serial number order, (6) Account to account transfers - in the following order: (i) checking, (ii) savings, and (iii) loans.

Savings Accounts. (1) Online Banking transactions - smallest to largest, (2) Outgoing Wires - smallest to largest, (3) ATM and Debit Card transactions - smallest to largest, (4) ACH Debit transactions - smallest to largest, (5) Withdrawals completed in person - smallest to largest, (6) Account to account transfers - smallest to largest within the following order: (i) checking, (ii) savings, and (iii) loans.

Can I sign up for an automatic transfer to help avoid overdrafts fees?

Yes. Bank OZK offers Safety Link, which will automatically transfer funds from your other Bank OZK checking account, savings account, personal or home equity line of credit when transactions are presented that will overdraw your account. Safety Link is a free service. To learn more, stop by your nearest Bank OZK branch or call 1-800-274-4482.

Can I cover an overdraft and avoid fees?

If you overdraw your account during the day, you may be able to avoid overdraft fees by making a sufficient deposit that same day. Review the Bank's Funds Availability Policy Disclosure (generally titled, "Your Ability to Withdraw Funds") to determine which deposits could become available the same day.

Important Information Regarding "Decoupled" Cards. Decoupled debit cards are debit cards offered or issued by an institution or merchant other than us. As part of the issuing process, you provide the decoupled debit card issuer with the information it needs to link the decoupled debit card to your account with us. Once this is done, you can typically use the decoupled debit card as you would any other debit card. Importantly, however, while transactions initiated with these decoupled debit cards may originate as debit card transactions paid by the card issuer, we receive and process them as ACH transactions. Additionally, you need to refer to your agreement with the decoupled debit card issuer to understand the terms of use for that card. Thus, when our documentation refers to "debit cards," "everyday debit card transactions," or "one-time debit card transactions," we are referring to debit cards issued by us, not decoupled debit cards issued by other institutions or merchants. Different payment types can use different processing systems, and some may take more or less time to post. Knowing which card you are using and how the transaction is processed can help you manage your finances, including helping you to avoid overdraft fees.

Protect Your Account from Overdraft Fees and Declined or Returned Items

At Bank OZK, we want to help you get more out of your money and make smarter financial decisions. To help our valued customers, we have put together this guide, which outlines some simple steps you can take to protect yourself. The best way to avoid overdraft fees is to manage your account carefully. Of course, if you need further assistance or have any questions, do not hesitate to speak with one of our bankers. Here are some simple steps to get you on your way.

- **Balance your checking account daily.** Use your check register and immediately record all checks when you write them along with other transactions when you make them. Do not forget to subtract any fees.
- **Review your account activity and statements carefully.** With Online Banking and Mobile Banking, you can view transactions and monitor account activity, 24 hours a day, 7 days a week. When reviewing your account activity, remember that some checks and payments may not have cleared or posted to your account yet.
Please note: Online Banking and Mobile Banking require enrollment.
- **Pay special attention to electronic transactions.** If you use an ATM to withdraw cash or your debit card to make a purchase or get cash back, be sure to record the transaction in your register.
- **Do not forget about automatic payments.** If you have automatic payments and deductions from your account, such as your mortgage payment or health club fee, remember to set aside money for them and to record them in your register.
- **Record all transactions immediately and do not assume that they will take days to post to your account.** Information from checks that you write to pay for purchases or expenses (such as credit card or utility payments) may be used to make a one-time electronic transfer from your account. Funds from these transactions may be withdrawn from your account on the same day you make the payment.
- **Consider Direct Deposit.** Many of the checks that now come to you in paper form - including your payroll checks - can be direct deposited into your account. That means you will not have to wait in line to make the deposit yourself, and you will not have to wait for checks to clear.
- **Set up Online Banking alerts.** Set up alerts using Online Banking or Mobile Banking. You will receive an automatic email alert to notify you if your account balance goes below a threshold that you set.
Please note: Online Banking and Mobile Banking require enrollment.
- **Consider Safety Link.** Safety Link is a free service that automatically transfers funds from your other Bank OZK checking account, savings account, personal line of credit, or home equity line of credit when transactions are presented that will overdraw your account.
To learn more, stop by your nearest Bank OZK branch or call 1-800-274-4482.

If it happens. If your account ends up overdrawn, be sure to deposit money in your account as soon as possible to cover the overdraft plus any fees that may be assessed. By doing so, you will avoid additional overdraft fees.

Questions? To learn more about how to avoid overdrafts, or to apply for overdraft protection, stop by your nearest Bank OZK branch or call 1-800-274-4482.