Bounce Protection Terms and Conditions

General

The Bounce Protection Terms and Conditions are part of the overall terms and conditions that govern your accounts at Texas Bank. The information herein is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and non-sufficient funds (NSF) is important and can help you avoid fees and charges from being assessed.

An overdraft occurs when you do not have enough funds in your account to pay for a transaction, but we pay (or cover) the transaction anyway. An NSF transaction occurs when you do not have enough funds in your account to pay for a transaction, and we do not pay (or cover) the transaction. The NSF transaction is rejected and returned unpaid. In either situation, we may charge you a Paid Item OD fee (overdraft fee) or Returned Item NSF fee (NSF fee) as set forth in the current Fee Schedule.

There are several ways your account may become overdrawn or be subject to an NSF transaction, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you (i.e. debit card at point of sale); (3) the return of unpaid items deposited by you; or (4) charges by us pursuant to the terms and conditions of your account (5) the deposit of items which, according to the Funds Availability Policy, are treated as not yet available.

Understanding Your Balance

It is important to understand how a transaction may cause an overdraft based on the account balance. Your account has two types of balances:

Available Balance: As the name implies, your available balance is calculated based on the money "available" in your account to make payments. In other words, the available balance takes ACH credit transactions and debit card transactions that have been authorized, but not yet settled, and adds or subtracts them from the ledger balance. In addition, when calculating your available balance, any "holds" placed on deposits that have not yet cleared are also subtracted from the ledger balance. Refer to the Account Agreement Terms and Conditions subsection titled "A Temporary Debit Authorization Hold Affects Your Account Balance" for more information on how debit card holds placed on funds in your account can affect your available balance.

Importantly, your "available balance" may not be the same as your account's "ledger balance." This means an overdraft, or an NSF transaction could occur regardless of your account's ledger balance.

Ledger Balance Your account's ledger balance (sometimes called the "actual balance") includes transactions that have settled to that point in time, that is, transactions (deposits and payments) that have posted to your account. The ledger balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your periodic statement is the ledger balance for your account as of the statement date.

Refer to your Funds Availability Policy disclosure for more information on how deposits affect your account balance.

Assessment of overdraft or NSF fees is based on the account's available balance at the time the transaction posts.

Eligibility

To be eligible for Bounce Protection, you and your account must meet the following criteria:

(1) The account must be at least 30 days old;
(2) The account must be in "good standing";
   a. makes sufficient deposits to bring the account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all Bank fees and charges);
   b. there are no legal orders, levies or liens against the account.
(3) The accountholder is not delinquent on any obligation to the Bank;
(4) The accountholder must not have had a previously charged off overdraft balance;
(5) The accountholder must have a valid address;
(6) The accountholder avoids excessive overdrafts, suggesting the use of the Program as a continuing line of credit.]

If your account becomes temporarily ineligible, your access to Bounce Protection will be restored to cover overdrafts the first business day after your account becomes eligible again, unless we notify you otherwise or you request this service be removed from your account. We reserve the right to limit participation and to suspend, revoke, or discontinue this service without prior notice to you.

Overdrafts and Fees

While we are not obligated to pay any presentment presented for payment if your account does not contain sufficient funds, if your account is eligible and you have not opted out, we may, at our discretion, honor withdrawal requests and pay presentments that overdraw your account up to your overdraft limit as a noncontractual courtesy. However, the fact that we may honor withdrawal requests and pay presentments that overdraw your account does not obligate us to do so later. We can change our practice of paying, or not paying, discretionary overdrafts pursuant to Bounce Protection without notice to you. We will notify you promptly of any insufficient funds presentments paid or returned, however we have no obligation to notify you before we pay or return any presentment. We have other overdraft protection plans, such as a link to your savings account or an overdraft line of credit known as Reserve Checking, which may be less expensive than Bounce Protection.

You agree that we may charge fees for overdrafts and NSF transactions. Our overdraft fee is currently $30.00 and our NSF fee is currently $30.00, as set forth in the current Fee Schedule. You must bring your account to a positive end-of-day balance no later than 30 calendar days after the creation of the overdraft, or your limit will be suspended. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover any negative balances including fees. If there is more than one owner on the account, each owner and agent, if applicable, shall be jointly and severally liable for all overdrafts including all fees charged.

Multiple insufficient presentments will result in multiple fees. For example, three paid presentments in one day will result in three separate fees. To help you manage your account, the total fees you have paid for insufficient presentments (both paid and returned) during the current statement cycle and for the year-to-date will be reflected on your periodic account statement.

Keeping track of your balance is important for many reasons and is the best way to avoid overdraft and NSF fees. We provide several convenient ways you can review your balance including reviewing your periodic statement, online banking, mobile banking, telephone banking 877-275-6759, or visiting one of our branches.

Bounce Protection should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to manage your finances responsibly by keeping track of your account balance and reconciling it regularly. Balances provided do not include your Bounce Protection limit. Financial education tools may be found at https://www.fdic.gov/moneysmart and https://www.consumerfinance.gov/.

Re-presented Items

Texas Bank does not charge for re-presented items]: Previously returned presentments may be re-presented for payment by the payee or their financial institution multiple times (representments). It is our policy not to assess overdraft or NSF fees on presentments that are re-presented. If our processing system inadvertently charges you for a representment, please contact us for a refund of this fee.

Authorized Positive, Post Negative (APPN)

APPN transactions occur when your account had a sufficient available balance at the time the transaction was authorized, but given the delay between authorization and posting, the balance is not sufficient at the time the transactions post.

It is our policy not to charge for transactions that are approved on a positive balance but settle on a negative balance. If our processing system charges you a fee for an approved positive settle negative transaction, please contact us for a refund.

Coverage for ATM and One-Time Debit Card Transactions

We will decline ATM and one-time debit card transactions that would overdraw your account unless you opt in for coverage of these transactions. If you opt in, we may authorize ATM and one-time debit card transactions by using your available balance and your Bounce Protection limit. If you have not opted in to coverage for ATM and one-time debit card transaction and you would like to, or if you would like to revoke your previous authorization, please call our customer assistance line at 325-949-3721 or visit one of our branch locations for assistance.

Overdraft Limit

Normally, we will not approve an overdraft for you in excess of the predetermined limit of $500 assigned to your account. So as not to exceed your limit, remember that the amount of the overdraft **plus** the applicable overdraft fee per presentment will be deducted from your Bounce Protection limit. If you have more than one account, all eligible accounts will be assigned a limit.

Your Bounce Protection limit may be available for each presentment created by checks and other transactions made using your checking account number, teller withdrawals, ACH transactions, automatic bill payments, or recurring debit card payments.

Remove Bounce Protection Coverage

You may remove Bounce Protection coverage from your account at any time, but you are responsible for any overdrawn balances. To remove Bounce Protection coverage, please call our customer assistance line at 325-949-3721 or visit one of our branch locations. Even if coverage is removed, insufficient presentments and associated fees and charges may still apply.

Payment Order of Transactions

The order in which presentments are paid is important if there is not enough money in your account to pay all of the presentments that are presented. The payment order can affect the number of overdraft or NSF presentments and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those presentments. We encourage you to practice good account management which may help you to prevent making payments without sufficient funds and potentially incurring the resulting fees.

In the normal course of business, we generally pay electronic transactions first and then checks low to high serial number order, per the bank’s policy; however checks are often converted to electronic transactions which may post to your account more quickly affecting the order in which they post. 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. Also, the order we pay your presentments may create multiple overdraft presentments during a single banking day and you will be charged our Overdraft Fee, currently $30 for each overdraft presentment paid.