

Frequently Asked Questions

1. What is an overdraft?

An overdraft occurs when you do not have enough money in your account to cover a transaction. As a convenience to clients, 1st Source may pay overdraft items. Charges may apply.

2. What is debit and ATM card overdraft coverage?

Overdraft coverage is an optional process that gives 1st Source permission to authorize and pay overdrafts on individual, everyday ATM and debit card transactions. With coverage, transactions you make over your available balance may be approved for payment.

3. If I choose to continue debit and ATM card overdraft coverage, what does that mean?

By choosing to continue overdraft coverage, you are giving 1st Source Bank permission to authorize and pay ATM and debit card transactions in excess of your available balance, if needed. If paid, a fee of \$36 will be assessed.

4. What if I do not wish to continue overdraft coverage for my debit and ATM card?

If you do not continue overdraft coverage, and if your account does not have the funds available to cover the amount of the transaction, your debit or ATM card transaction will be declined at the point of sale and at the ATM.

5. Is there a fee for continuing the coverage?

There is no fee to have the coverage. You will only incur a fee if you have a transaction presented and paid in excess of your available balance.

6. What fees will I be charged if 1st Source Bank pays my overdraft transaction?

Our standard overdraft practices are:

- We will charge you a fee of \$36.00 each time you overdraw your account.
- \$7.00 per day will be charged starting the 6th business day that the account is overdrawn.

7. What is the benefit of having debit and ATM card overdraft coverage?

For many of our customers, the coverage is a very helpful resource. Whether or not you have used it before, most people find it comforting to know 1st Source will attempt to authorize and pay overdrafts for everyday debit card transactions. Benefits include:

- a) Convenience
- b) Emergency Backup
- c) Prevents hassle and embarrassment.

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8. Why should I authorize 1st Source to pay my everyday debit card transactions if I don't plan to overdraw my account?

While you may not need it now, your authorization allows 1st Source to cover a transaction in the event of an unexpected expense, or a simple addition error in the future. Debit and ATM card overdraft coverage can provide you convenience or avoid the embarrassment.

9. How does 1st Source decide to pay or not to pay an overdraft?

Pursuant to 1st Source Bank's commitment to always provide excellent customer service, if a consumer account (primarily used for personal or household expenses) has been open for at least 90 days and the account is in good standing, the Bank may consider approving overdrafts up to a reasonable amount. Any and all bank fees and charges, including without limitation, the nonsufficient fund/overdraft fees of \$36.00 will be included in this reasonable amount. Any overdraft paid by 1st Source is in anticipation of your making a deposit to cover the negative balance as soon as possible.

10. Which of my 1st Source cards can be used to make an electronic transaction?

Your Resource[®] Plus debit card and your Resource[®] ATM card can be used to make a purchase. They can also be used to obtain cash from an ATM.

11. What is an individual, everyday debit card transaction?

An individual, everyday transaction includes one-time purchases made using your debit or ATM cards at grocery stores, restaurants, gas stations, and other merchants. This also includes one-time purchases or payments made online or by phone. These transactions do not include recurring charges, such as monthly health club fees, newspaper payments provided every-other month, or other regular charges provided through your debit card number.

**12. Does this change apply to checks or recurring payments from my account?
What about automatic debit card payments that I set up with a merchant?**

The new rules do not change overdraft coverage for checks and automatic payments that you set up using your checking account or debit card number for paying recurring expenses such as your mortgage, rent, or utilities. 1st Source may authorize and pay overdrafts on these types of transactions, and charge overdraft fees.

13. How can I avoid overdrafts and fees?

You can keep updated on your accounts by using these great tools:

- Online Banking
 - ♦ View balances and pending transactions
 - ♦ Verify deposits and withdrawals
 - ♦ Transfer funds between accounts
 - ♦ Set up e-mail alerts

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- Mobile Banking
 - ♦ Mobile App Banking
 - ♦ Mobile Web Banking
 - ♦ Text Banking
- InfoSource Telephone Banking
 - ♦ Touch-tone phone banking
 - ♦ Call 574-235-2557 or 800-235-2557

14. Are there other options to avoid overdrafts and fees?

- A Carefree Line of Credit allows you to avoid accidental overdrafts by honoring your transactions up to the available amount of the credit line. Subject to credit approval. Read the Carefree Line of Credit Agreement for the current interest rate, minimum payment information and detailed disclosures. Ask your banker for more information.
- Overdraft Transfer Service is a convenient way to let your savings account cover occasional overdrafts in your checking account. The service automatically transfers from your savings account to your checking account when your checking balance falls below zero. There is no annual fee for Overdraft Transfer Service, just a \$3 transfer fee that is paid only when you use it. Federal regulations limit transfers on savings accounts. See the 1st Source Bank Truth in Savings Disclosure for more details.

15. If I authorize 1st Source to pay overdrafts on my individual, everyday debit card transactions, will my items always be paid?

No, the items may not always be paid. If a 1st Source consumer client has an account primarily used for personal or household expenses, the account has been open for at least 90 days, and the account is in good standing, the Bank may consider approving overdrafts up to a reasonable amount. Any overdraft paid by 1st Source is in anticipation of you making a deposit to cover the negative balance as soon as possible.

16. When do I need to make my deposit to avoid an overdraft fee?

The Bank's policy is generally to make funds from your deposit available to you on the first business day after we receive your deposit. Electronic direct deposit funds will be available on the day we receive the deposit. Longer delays may apply. Please ask your banker about local cut-off times. Please refer to the Availability of Funds Policy in the 1st Source Bank Agreement for Deposit – Personal Accounts booklet for more information.

17. How do I prevent my child's checking account from being charged an overdraft fee?

Our e-student checking accounts are not eligible for debit card overdraft coverage and are not subject to overdraft fees for debit card purchases. Debit card transactions will not be authorized for payment when there are not sufficient funds in the account. The e-student account will be charged an overdraft fee if a recurring payment (such as a monthly health club fee) or an electronic bill payment overdraws the account. Be sure to watch your available balance. You can set up e-mail alerts to monitor your account.

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18. How do I give 1st Source authorization to pay overdrafts on my debit and ATM card transactions when I previously requested those items not be paid?

If at anytime you decide you do want us to authorize and pay overdrafts on your everyday debit card transactions, you can let us know the same way:

Visit us: At any one of our local banking centers
Call us: 574-235-2000 or 1-800-513-2360
Mail us: Debit Card Overdraft Choice, c/o Deposit Services
1st Source Bank
P.O. Box 1602
South Bend, IN 46634

19. Do 1st Source business clients have to make a coverage choice?

No. Business clients will continue to have overdraft coverage and will incur all applicable fees. Only consumer debit and ATM card holders are impacted by this new regulation.

20. Who can I contact with questions?

If you have any questions regarding this or any other service, please feel free to call us at 574-235-2000 or 1-800-513-2360.

21. Can you explain the regulation?

As of August 15, 2010, an amendment to a federal banking regulation impacted how all banks handle insufficient funds relative to debit and ATM card transactions. You must now choose to continue overdraft coverage for your card transactions. According to this regulation, banks can no longer provide the coverage without a client's consent. Banks cover most of these overdraft transactions today, and when an overdraft occurs, the customer is typically charged a fee. Banks can no longer cover these transactions without the consent of the client.

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