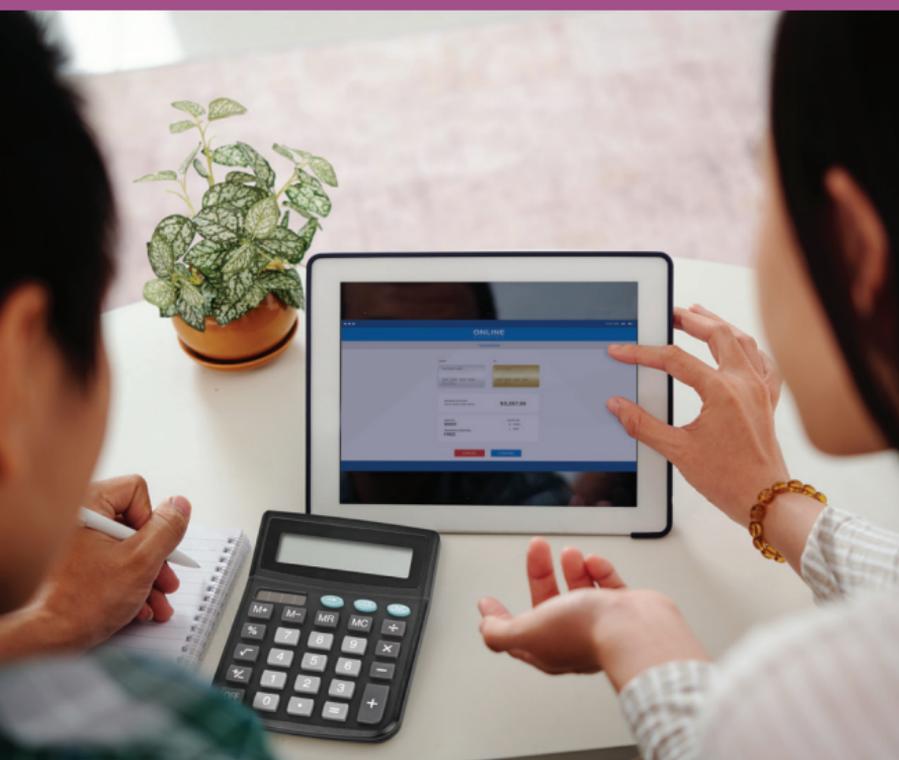


Personal Banking

# OVERDRAFT DISCLOSURE FOR CONSUMER ACCOUNTS



ACCOUNT INFORMATION

OVERDRAFT SERVICES, FEES AND  
DISCLOSURE INFORMATION

 **WESTAMERICA BANK**  
*Your Community Banker™*

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## **Overdraft Disclosure for Consumer Accounts**

This disclosure describes Westamerica Bank's overdraft practices, and provides information about our Overdraft Services and overdraft protection plans. It is important to understand that overdrafts are expensive and that our Overdraft Services may not be the best option for you. Overdraft Services are not required and you can choose not to have Overdraft Services at any time by calling 1-800-848-1088, notifying us in writing at Westamerica Bank, Direct Data Entry, B-2X, P.O. Box 1200, Suisun City, CA 94585-1200 or visiting one of our branches.

You should make every effort to not overdraw your account. When you conduct a transaction, make sure you have enough money in your account to cover the transaction. When you overdraw your account, our resulting fees and charges can be very expensive. You can avoid these fees by not overdrawing your account. The Bank offers less costly alternatives such as Linked Overdraft Protection and Extra Cash Overdraft Protection line of credit that may be less costly and may help you avoid overdrafts. See the Alternative Products section of this disclosure for additional information regarding these alternatives.

### **How Your Account Can Become Overdrawn**

Your account can become overdrawn when you do not have enough available funds in your account to pay checks and other transactions that are being charged to your account. This can happen in several ways, such as (1) the payment of checks, electronic fund transfers or other withdrawal requests (such as cash withdrawals from a teller); (2) payments authorized by you; (3) the return of unpaid items deposited to your account; (4) bank service charges and other fees.

The Bank is not obligated to pay any transaction presented for payment if your account does not contain sufficient funds, even if your account has Overdraft Services. In other words, we may refuse to pay an overdraft transaction at any time even though we may have previously paid overdrafts on your account. For example, the Bank may not pay overdraft transactions if your account is not in good standing, as described in the Limitations section of this disclosure, or if, based upon our review of how you manage your account, we determine that you are using Overdraft Services excessively or appear to be using Overdraft Services as a continuing line of credit.

### **Overdraft Services**

Overdraft Services are a form of overdraft coverage that the Bank can use to pay transactions when you do not have sufficient funds in your account. Overdraft Services are discretionary, which means we have the right to refuse to pay any transaction that would overdraw your account. The Bank's Overdraft Services are NOT designed to help you avoid your future financial challenges and should not be

used by you in that manner. Excessive use of our Overdraft Services can be an indicator of poor account management and can result in significant expenses to you.

You have three overdraft service options: Standard Overdraft Service, Expanded Overdraft Service or No Overdraft Service.

### **Standard Overdraft Service**

Upon account opening, you are automatically enrolled in our Standard Overdraft Service. After your account has been opened, an overdraft service limit will be assigned to your account. The amount of the overdraft service limit assigned to your account can change (go up or down) at any time. The amount may be based on several factors including your account history and deposit activity and patterns.

Under the Bank's Standard Overdraft Service, we may at our discretion cover overdrafts resulting from:

- checks,
- ACH transactions (including automatic bill payments),
- other transactions made using your account number.

Your ATM and everyday debit card transactions are not covered.

You will be charged a **\$35** Overdraft Fee for each transaction we pay which overdraws your account, with a maximum of six (6) paid and/or returned items (or \$210) per day.

The Bank does not charge the **\$35** Overdraft Fee for any transaction that overdraws your account \$5 or less.

Your ATM and everyday debit card transactions will be declined rather than paid. The Bank **does not charge a fee** for declining your everyday debit card or ATM transactions. Typically, merchants also do not charge a fee for declined ATM or everyday debit card transactions. You will simply need to arrange for an alternative form of payment.

There may be limited instances where we will pay an ATM or everyday debit card transaction even if you have Standard Overdraft Service coverage and do not have sufficient funds in your account to cover the transaction. These transactions can occur, for example, when an ATM or everyday debit card transaction is approved but other transactions reduce the balance in your account before your ATM or everyday debit card transaction is posted to your account. Under these circumstances, we will still pay the ATM or everyday debit card transaction and you will not be charged a fee.

**You can opt out of Standard Overdraft Service at any time.** If you opt out of Standard Overdraft Service, the Bank will return checks, ACH transactions (including automatic bill payments), and other transactions made using your account number that would overdraw your account (unless you have Linked Overdraft Protection or an Extra Cash Overdraft Protection line of credit). We charge a **\$35** Insufficient Funds Fee for each item, with a maximum of six (6) paid and/or returned items (or \$210) per day.

## Expanded Overdraft Service

If you want to have your ATM and everyday debit card transactions, (such as a purchase you make at a merchant) covered in addition to what is covered under our Standard Overdraft Service, then you must opt in to our Expanded Overdraft Service.

Under the Bank's Expanded Overdraft Service, we may at our discretion cover overdrafts resulting from:

- checks,
- ACH transactions (including automatic bill payments),
- other transactions made using your account number,
- ATM transactions,
- everyday debit card transactions.

If you opt in to Expanded Overdraft Service, you will be charged a **\$35 Overdraft Fee** for each transaction that we pay which overdraws your account, with a maximum of six (6) paid and/or returned items (or \$210) per day. The Bank does not charge the \$35 Overdraft Fee for any transaction that overdraws your account \$5 or less.

Before you opt in to Expanded Overdraft Service, you should first review our document entitled "*What You Need to Know about Overdrafts and Overdraft Fees.*" If you would like to opt in to Expanded Overdraft Service in order to cover your ATM and everyday debit card transactions, call us at 1-800-848-1088, notify us in writing at Westamerica Bank, Direct Data Entry, B-2X, P.O. Box 1200, Suisun City, CA 94585-1200, or visit one of our branches.

If you don't opt in (or if you later choose to revoke your opt in) to Expanded Overdraft Service coverage, the Bank will not authorize ATM and everyday debit card transactions that would overdraw your account (unless you have Linked Overdraft Protection or an Extra Cash overdraft line of credit). There is **no charge** by us for declining these transactions. Typically, merchants do not charge a fee for declined ATM transactions or everyday debit card transactions.

**You can choose not to have Expanded Overdraft Service at any time.** If you cancel Expanded Overdraft Service, you can request either No Overdraft Service or Standard Overdraft Service.

## No Overdraft Service

You can **completely opt out** of our Overdraft Services at any time. If you have No Overdraft Service, transactions which would cause an overdraft will be returned, rejected or declined, rather than paid and the following will happen (unless you have enough available funds in a Linked Overdraft Protection account or an Extra Cash Overdraft Protection line of credit):

- Your everyday debit card and ATM transactions will be declined rather than paid. We **do not charge a fee** for declining your everyday debit card or ATM transactions. Typically, merchants do not charge a fee for declined ATM or everyday debit card transactions. You will need to arrange an alternative form of payment.
- Your checks, ACH transactions (including automatic

bill payments), and other transactions made using your account number will be returned rather than paid. The Bank charges a **\$35** Insufficient Funds Fee for each item returned due to insufficient funds, up to six (6) paid and/or returned items (or \$210) per day. Some merchants may also assess a returned item fee, of which we have no control.

There may be limited instances where the Bank will pay a transaction into overdraft even if you do not have sufficient funds in your account to cover the transaction and have No Overdraft Service. These transactions can occur, for example, when a transaction is approved but other activities reduce the balance in your account before the transaction is posted to your account. Under these circumstances, we will pay the transaction and you will **not be** charged a fee.

**You are not required to have any type of Overdraft Service. You can choose not to have Standard Overdraft Service or Expanded Overdraft Service at any time** by calling 1-800-848-1088, notifying us in writing at Westamerica Bank, Direct Data Entry, B-2X, P.O. Box 1200, Suisun City, CA 94585-1200, or visiting one of our branches.

## **Overdraft and Insufficient Funds Fees**

The Bank charges a **\$35** Overdraft Fee when we pay an item presented against insufficient available funds, and a **\$35** Insufficient Funds Fee when we return an item presented against insufficient available funds. The maximum number of paid and/or returned items for which these fees will be charged is six (6) paid and/or returned items (or \$210) per day. We may impose multiple fees as well as the same fees multiple times (such as fees for overdrafts, returned unpaid items, and returned deposited items) in connection with a single check or other transaction that has been returned or presented multiple times. This includes, for example, when an overdraft results from an item or ACH debit that is returned after being redeposited, or paid or rejected after being represented for payment. The Bank does not charge the **\$35** Overdraft Fee for any transaction that overdraws your account \$5 or less.

## **Limitations**

Overdraft Services are a non-contractual courtesy that are available to consumer accounts in “good standing.” When determining if your account is in good standing for purposes of Overdraft Service, the Bank may consider a number of factors, such as if you: (1) make sufficient deposits to bring your account to a positive end-of-day balance within 30 calendar days after the date the account was initially overdrawn (including the payment of all bank fees and charges); (2) avoid excessive overdrafts suggesting the use of Overdraft Service as a continuing line of credit; and (3) have no legal orders, levies or liens against your account. We may, at our discretion, approve your overdraft transactions up to and exceeding the Overdraft Service limits associated with your account.

Even if you have Standard or Expanded Overdraft Service, it is possible that transactions will be declined or returned rather than paid into overdraft. The Bank charges a **\$35** Insufficient Funds Fee for each check, ACH transaction (including automatic bill payments), and other transaction made using your account number that is returned for insufficient funds rather than paid into overdraft, up to six (6) paid and/or returned items (or \$210) per day.

The Bank does not promise to pay overdrafts under our Standard or Expanded Overdraft Service. The Bank reserves the right to limit participation and to suspend, revoke, or discontinue this service at any time without prior notice. When you use Overdraft Services, you agree we will not be liable to you for any loss or damage based on a claim that you relied on us to pay any and all transactions which would overdraw your account. You further agree to indemnify and hold us harmless from any such claims for loss or damage made by any other person.

Overdraft fees can add up and become significant. Overdrafts are not “free.” A small transaction can become quite expensive if overdrafts occur due to the transaction. You should avoid overdrafts. If they occur, you should make every attempt to bring your account to a positive balance as quickly as possible. If you are not able to do so, you will receive a letter from us informing you of the situation and your options. If you do not bring your account to a positive balance, we will close your account and may take other steps to recover the unpaid balance.

## **Available Balance**

The Available Balance is the amount of funds available for withdrawal and authorizing of transactions. The Available Balance may be different than your register balance (sometimes called Ledger Balance). The Available Balance may be reduced by the following activity: funds on hold in accordance with our Funds Availability Policy; our receipt of notice that a transaction will be presented or returned; our receipt of a legal process relating to your account; or your use of your account as security for a loan.

Pending transactions may affect your Available Balance as follows: deposits made available for your immediate use, such as cash deposits, electronic direct deposits and the portion of paper check deposits we make available according to our Funds Availability Policy, increase your Available Balance; withdrawals which have been authorized or are otherwise known to us, such as checks and preauthorized automatic ACH withdrawals that we receive for payment from your account but have not yet processed, reduce your Available Balance.

Pending debit card and ATM transactions may also affect your Available Balance. Generally, debit card purchases and ATM transactions have a two-step process that may impact the money available in your account to pay other items. These transactions usually begin with an electronic authorization request which is followed by an electronic

settlement request later the same day or within a few days. If we authorize the transaction, we may place an authorization hold on the amount of funds necessary to cover the authorization. Depending on the merchant's practice, the authorization hold may be for the actual amount of the purchase or for the anticipated amount (which may be greater or less than the actual amount of the purchase). The amount of the authorization hold will reduce the money available in your account to cover other transactions. Even if you have sufficient funds in your account when we authorize a transaction and place an authorization hold, you may still be assessed an Overdraft Fee for the transaction if your account does not have sufficient funds to pay the transaction when it is actually presented for payment and posts to your account. This sometimes happens when the amount presented at settlement is greater than the amount of the authorization hold or when intervening transactions further reduce your account balance before the transaction is posted for settlement. This may cause an overdraft in your account or cause other transactions to be returned. However, we ignore any authorization holds for pending transactions during our daily processing for purposes of deciding if we will charge an Overdraft Fee or an Insufficient Funds Fee.

## **Order of Payment**

The order in which the Bank pays your transactions is important if there is not enough money in your account to pay all of the transactions presented on one day. Our order of processing your transactions may not be the order in which they occurred, and the order in which transactions are processed and cleared can affect the total amount of fees (including Overdraft Fees and Insufficient Funds Fees) you incur. Processing your checks, deposits and other payments is a dynamic environment that is complex and may change due to technological innovation, changes in payment systems or changes in our policies and practices (this includes our order of transaction processing). In the normal course of business, we generally pay transactions presented for payment from your account on a single banking day in the following order:

1. Bank fees and charges;
2. ATM and point-of-sale (POS) transactions;
3. Account transfers and withdrawals made at a branch; and
4. Checks and other transactions.

Multiple items of the same type are paid in the order of highest dollar transactions first. Processing includes placing a hold on your account, paying transactions (and decisions regarding payment or return) and other aspects of our processing your transactions (such as assessment of Overdraft Fees, Insufficient Funds fees and/or other bank fees and charges).

Although this represents the Bank's general policy, there are several exceptions to the above-stated processing order. For example, we reserve the right to change the order of payment without notice if we suspect fraud or possible

illegal activity affecting your account. The Bank does not manipulate processing on a daily, or on a customer-by-customer basis, in order to maximize fees.

There is no particular order of payment that is favorable to you in every instance. There are advantages and disadvantages for any order of payment. In some cases, important transactions (which may be those with higher dollar amounts) may get paid earlier using this sequence.

To avoid an overdraft or the possibility of a transaction being returned or rejected for insufficient funds, customers should take steps to ensure their account(s) have sufficient funds to cover all transactions, fees and charges. Please be aware that the order in which the Bank pays transactions may create multiple overdrafts or returned or rejected transactions during a single banking day.

You should not assume or expect that you will be able to avoid an overdraft by making a covering deposit before your transaction settles with us. Your checks, for example, can clear very quickly – sometimes even on the same days as you present the check to a merchant or other payee.

## **Notices Sent When Overdrafts Occur**

The Bank will promptly send you a notice each time we charge an Overdraft Fee for a transaction that overdraws your account. You should subtract the transaction amount and the total fees from your account balance in your check register. We will also notify you each time we return a transaction unpaid. You should subtract the total fees from your account balance in your check register. However, we have no obligation to notify you before we pay or return any transaction. The amount of any overdraft, including bank fees and charges, is due and payable upon demand but, if no demand is made, it is due and payable no later than 30 calendar days after the date the account was initially overdrawn. If there is an overdraft on an account owned by two or more persons, each owner (and agent, if applicable) is jointly and severally liable for all overdrafts, including bank fees and charges.

## **Alternative Products**

The Bank recommends that you not overdraw your account. To protect against occasional, inadvertent overdrafts, we offer the following products as alternatives to our Overdraft Services. These alternatives may better serve your particular needs and could save you money.

### **Linked Overdraft Protection**

Link your account to another Westamerica Bank account you own, such as your savings account or credit line account. If your account becomes overdrawn or the available balance falls below \$1.00, available funds will be automatically transferred from your linked account to your account once at the end of the day, provided there are enough funds to

cover the amount of the overdraft and leave an available balance of \$1.00 in your account. The Bank will transfer in the amount needed to cover the entire potential overdraft and maintain an available balance of \$1.00 in your account (to keep the account open). No transfer will be made if the transfer amount would exceed the available balance in your linked account. For each transfer, a fee will be charged and debited from your account at the end of your statement cycle. This fee will not be charged if the potential overdraft is \$5.00 or less or is entirely due to bank fees and charges. Other restrictions apply. For the current fee amount, refer to the Bank's Schedule of Fees and Charges.

### **Extra Cash Overdraft Protection**

Extra Cash Overdraft Protection is an overdraft line of credit which is subject to credit approval and requires an application. If your account becomes overdrawn, available funds will be automatically transferred once per day at the end of the day in multiples of \$100 (or for the unused portion of your credit limit if it is less than \$100) from your Extra Cash Overdraft Protection line of credit to your account. Interest is charged from the date funds are advanced until repaid. A minimum payment of the greater of 5% of the outstanding balance or \$25.00 is deducted from the account each month, but full or partial payments may be made at any time. This is not a commitment to lend. Other restrictions apply. Call us at 1-800-848-1088 for more information and to obtain an application.

You should consider our Linked Overdraft Protection and Extra Cash Overdraft Protection alternatives described above. You may also call 1-800-848-1088 for more information on these alternative overdraft products.

### **Maintain Good Account Records and Monitor Your Account Balance**

We encourage you to keep track of your account balance by entering all transactions in your check register, reconciling your checkbook regularly, and managing your finances responsibly.

You can access your account balance online, via an ATM or by calling us. You may not be able to tell if a particular transaction will or may cause an overdraft. For example, a balance at an ATM may reflect the prior day's balance information. Your bank account balance is continually changing, so any balance you see may not reflect current transactions or may otherwise be out of date.

### **Automatic Balance Alerts**

You can sign up for our automatic balance alerts which are available to StarConnect Plus online banking customers. If you sign up for automatic balance alerts, we will notify you if your account reaches a preset threshold you select. Alerts may help you avoid an overdraft, but are not intended to serve as a substitute for carefully monitoring your account

balance and your transactions. You should NOT rely solely on automatic balance alerts to avoid an overdraft. Additional terms and fees may apply.

## **Deposit Agreement and Disclosure**

The Bank's Deposit Agreement and Disclosure ("Deposit Agreement"), provided to you at the time you opened your Westamerica Bank account, generally controls the duties, obligations and rights you and any authorized signers on the account have, as well as our duties, obligations and rights with regard to your account. However, this Overdraft Disclosure (and all amendments thereto) shall control if a conflict arises between any provision of this Overdraft Disclosure and the Deposit Agreement. We will provide additional copies of the Deposit Agreement upon request, or you may visit [www.westamerica.com](http://www.westamerica.com) to download the most current version of our Deposit Agreement.



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For further information, please contact your local Westamerica Community Banker, visit us online at [Westamerica.com](http://Westamerica.com), or call Customer Service toll-free at 1-800-848-1088. Hearing impaired customers may use TDDs to contact us toll-free at 1-800-TDD-1088.



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