

Making an Informed Choice - Overdraft Protection Plans

The overdraft setting for your account lets the bank know how to handle transactions when there are not sufficient funds in your account, or an account linked for overdraft protection, to cover the item. We understand that mistakes sometimes happen and emergencies can occur. We can cover your overdrafts in two different ways:

Overdraft Protection Plans

- Automatically transfer funds to your checking account from another linked account or a line of credit.
- There is no fee to transfer funds from your linked account or from your line of credit. However, interest will be charged on the outstanding balance in your line of credit.

Courtesy Overdraft (Standard Overdraft Practice)

Frost offers a courtesy overdraft program as a way to cover a transaction when you don't have enough money in your checking account. This is a discretionary service and the bank reserves the right not to pay items against insufficient funds, such as when your account is not in good standing or you are not making regular deposits or you have too many overdrafts. Customers are eligible for this service provided certain criteria are met. The courtesy overdraft program is intended to help you avoid the inconvenience and embarrassment of having a transaction rejected or returned in the event of an emergency situation or inadvertent overdraft. You should avoid using this service as a standard practice. There is no fee to add the courtesy overdraft service to your account and no fee if you never use the service; however, overdraft coverage for everyday debit card purchases is optional and requires your consent. Make the choice that is right for you.

OPTION #1 Yes – pay everyday debit card transactions

This means you want us to authorize and pay your everyday debit card transactions at our discretion when you don't have enough money available in your account. You will be charged **\$35 for each debit card purchase that overdraws your account more than \$5, up to \$175 per day.**

OPTION #2 No – do not pay everyday debit card transactions (if you don't choose an option when you open your account, this option is automatically selected for you).

This means you do not want Frost to authorize and pay your everyday debit card transactions when you don't have enough money available. Since everyday debit card transactions will be declined when there is not enough money available, you won't be charged an Insufficient Funds Fee for everyday debit card transactions.

We may still authorize and pay overdrafts for other transaction types, such as checks, automatic bill payments and other withdrawals unless you decline all coverage (option #3 below)

OPTION #3 Decline All Coverage

This means you do not want us to authorize or pay **any** items that will overdraw your account, including checks, automatic bill payments and other withdrawals in addition to debit card transactions.

You will pay a \$35 non-sufficient funds fee for each transaction that does not pay, except there is no fee for declined debit card transactions. You may also incur merchant fees on items that are returned due to non-sufficient funds.

Benefits of Overdraft Coverage on Everyday Debit Card Transactions

Benefits	Cost
Added flexibility – you may be allowed to continue with a purchase even if you do not have enough funds in your account to cover it.	There is no fee to add our courtesy overdraft service to your account and there is no fee if you never use the service.
Emergency back-up – gives you an added level of protection against unanticipated emergencies or account reconciliation errors.	You will avoid additional merchant charges for returned checks and will stay in good standing with the people you do business with.
Increased convenience - your transaction may be approved even if you do not have enough money in your checking account.	If a transaction overdraws your account and we authorize the transaction, we will charge you an overdraft fee of \$35 for each item that overdraws your account more than \$5.00, up to \$175 per day . You will be responsible for making a deposit as soon as possible to bring your account back to a positive balance.

What You Need to Know - How Withdrawals are Processed

It is important for you to understand how transactions are processed. The manner in which we process withdrawals or other debits may affect the amount of overdraft or non-sufficient funds charges you may incur. We establish different categories of withdrawals, which are processed in the following order: ATM and debit card transactions are processed first in the order they are received by us. "Must pay" items such as wire transfers, cash withdrawals and account transfers are next, followed by loans payable to us and then checks and ACH transactions. All of these categories are processed from the lowest to the highest dollar amount. Bank service fees are processed last, also from lowest to highest dollar amount. For complete details, please refer to our Deposit Account Agreement and Other Disclosures available online or upon request.

Keeping Up With Your Account

One of the most important responsibilities about having a checking account is keeping track of how much money is in it at any given time. You should balance all of your bank accounts at least once each month to make sure your records match your bank statement. Between statements, there are many ways to keep tabs on your account activity and balance(s).

- View your account activity in Frost Online Banking
- Sign up for Online Statement Delivery through Frost Online Banking to view your statement as soon as it is available
- Sign up for a low-balance e-mail alert through Frost Online Banking
- Check your balances through Frost App for iPhone or Android device
- Check your balance at a Frost ATM
- Call us at 1-800-233-9874

How to change your overdraft coverage

If you do not want us to authorize and pay overdrafts created by check, in-person withdrawal, debit card transaction or other electronic means, please let us know:

- By phone- call us at 1-800-513-7678
- In writing- mail your request to Frost, Attn: CIF, P.O. Box 1600, San Antonio, TX 78296
- In person- stop by your nearest financial center

We're here to answer any questions you may have. To learn more about overdraft options and overdraft fees, please visit with a personal banker or call us at 1-800-513-7678.