



NATIONAL BANK

Frequently Asked Questions

Federal Overdraft Rules

How do federal rules affect overdraft practices by banks?

Federal rules require Inwood National Bank (“INB”) to get your permission before approving overdrafts and charging a fee for certain kinds of transactions. Those transactions are ATM transactions and non-recurring debit card transactions. Checks and preauthorized withdrawals are not affected by the new rules. Banks only need your permission once. Your permission is not required separately for each transaction.

Are business accounts affected?

No. The new rules only apply to accounts used for personal, family, or household purposes.

What does it mean to “opt-in” to INB’s payment of ATM and everyday debit card overdrafts?

“Opt-in” is when you give INB permission to approve overdrafts for ATM and everyday debit card transactions, and to charge a fee for doing so.

What is an “everyday” debit card transaction?

An everyday debit card transaction is any one-time, nonrecurring transaction using an INB debit card or ATM card. Transactions you authorize in advance using your debit card, such as a monthly bill payment, are not considered “everyday” transactions. INB relies on transaction coding provided by the merchant in determining if a transaction is recurring.

Will my ATM and everyday debit card transactions always be approved if I opt-in?

No. INB retains discretion to authorize or not authorize these transactions when there are not enough available funds in your account to cover them at the time of the transaction. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts.

Will there be fees on my ATM and non-recurring debit card overdrafts if I opt-in?

Yes. If you opt-in, you will be charged our standard NSF/overdraft fee of \$28 if there are not enough available funds in your account to cover the transaction when it settles.

Are checks and recurring bill payment transactions affected?

No. Checks, ACH, recurring withdrawals (like an automatic monthly bill payments), and other types of withdrawals not involving ATM or non-recurring debit card use are not affected by the rules (even if these transactions involve the use of your debit card). INB may, in its discretion, continue to approve overdrafts for these transactions even if you have not opted-in. You will be charged our standard NSF/overdraft fee of \$28 each time one of these transactions is presented for payment against your account when there are



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not enough available funds in your account to cover them (whether or not INB pays the transaction).

What if I don't want this service, I don't notify you of my choice, or I can't decide?

Opt-in is not automatic. If you do not opt-in, or if you do nothing, INB will not approve ATM and non-recurring debit card overdrafts for your account. If you decide later that you want to opt-in, you can do so by contacting INB.

What if I change my mind?

If you opt-in, you can always change your mind later by notifying INB.

How do I notify INB of my decision to opt-in or not opt-in?

If you want us to authorize and pay overdrafts on your ATM and non-recurring debit card transactions, stop by any INB branch or return the form sent to you. You may also send a written request, including your name, signature, address, date of request, and account number(s), to us at:

Inwood National Bank
7621 Inwood Rd
Dallas, TX 75209

Do the new rules require banks to give notice to me of my options under the rules?

Yes. The notice explains INB's standard overdraft practices beginning August 15, 2010 for accounts opened before July 1, 2010, and beginning July 1, 2010 for accounts opened on or after that date.

What if I have more questions?

See your account disclosures and the disclosure called *What You Need to Know about Overdrafts and Overdraft Fees* for more information. If you need another copy, please call or write us.

Other Overdraft Questions

What is INB's current overdraft charge?

INB currently charges \$28 each time a transaction is submitted for payment from your account when there are not enough funds available in the account to cover the transaction. This includes checks, in-person withdrawals, ATM and debit card transactions, or other electronic withdrawals and debits. This charge applies whether or not we pay the transaction. You could incur multiple charges in a single day. However, see above about your options for ATM and everyday debit card transactions. INB may increase, or add to this charge.

When am I required to pay my overdrafts?

Overdrafts must be paid immediately. There is no grace period or payment schedule.

How do overdrafts compare to other forms of credit?

While overdrafts provide a benefit in occasional situations and emergencies, you should not rely on them as a long term source of credit. Alternative forms of credit may be less



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expense and more suitable for your longer term financial needs. Alternative forms of credit can include credit card cash advances or personal loans.

How can I avoid overdrafts?

There are several ways in which you can avoid overdrafts and overdraft fees:

- Check your account regularly. To check your balance and recent transactions posted to your account, you can call INB at 214-366-0943 and use the automated service, call 214-358-0294 to speak to a customer service representative, or go online to www.InwoodBank.com. Remember that not all funds in your account may be available for immediate withdrawal or other transactions. Also, your balance may not reflect the full amount of all your recent transactions. For example, checks you have written recently may not have been processed yet. And if you used your debit card recently, the full amount of the transaction might not be reflected in your balance.
- With INB Online Banking, you can create customized alerts that are activated according to the balance specifications you set. You can set up alerts to notify you when your account balance at the end of the previous business day fell below or went above the dollar amount you specify.
- Record transactions in your register immediately and keep a current balance. To avoid service charges, do not write checks or perform transactions if you do not have enough money in your account. Remember to anticipate and record any recurring automatic payments.
- Promptly correct your register if you receive notice of an NSF, overdraft, or returned deposited item. Remember to also deduct any related service charges.
- Reconcile your account to your monthly statement to identify any unauthorized transactions and to ensure accuracy in your record keeping. Notify INB immediately of any errors or if you suspect any unauthorized transactions occurred.
- If you have not already done so, notify us if you do not want INB to authorize ATM and non-recurring debit card transactions when there are insufficient available funds in your account to cover them at the time of the transaction. You may do so in person at an INB branch or by contacting us at the number shown below.

There are other ways you can avoid overdrafts. For example, you have the option to automatically deposit your paycheck into your checking account. You can also arrange for direct deposit of any social security, retirement, or disability benefits, as well as interest and dividend payments from your investments. There is no cost to you for direct deposit.

If you have any questions, please contact us at 214-358-5281.

Remember, INB encourages you to use your account responsibly and you should take steps to avoid overdrafts whenever possible.