



STANDARD OVERDRAFT SERVICES

What You Need to Know about Overdraft and Overdraft Fees

This notice explains the **standard overdraft services** provided by Valley National Bank (the “**Bank**”, “**we**”, or “**us**”).

An **overdraft** occurs when you do not have enough money in your account to cover a transaction, but we elect, in our sole and absolute discretion, to pay it anyway. We cover your overdraft in two different ways:

1. We have standard overdraft services that come with your account.*
2. We also offer other products and services that can help pay overdrafts when they occur, including lines of credit, to qualified accounts, which may be less expensive than our standard overdraft services. To learn more, ask your banking team about this plan.

*If you have a Business Analysis Checking Account or an International Business Analysis Checking Account, please refer to the section “*How does standard overdraft services work for my Analysis Checking Account?*” on page 4.

Questions & Answers Regarding Standard Overdraft Services

What are the Bank’s standard overdraft services?

We **may elect to** authorize and pay overdrafts for any items presented against your account (e.g., checks, wires, ACH transactions, and other transactions made using your account number), **except we do not** authorize and pay overdrafts for the following types of transactions:

- ATM transactions
- Everyday debit card transactions

We **do not** authorize and pay overdrafts for the following types of accounts:

- Business Attorney Trust Money Market Client Account
- Personal Attorney Trust Money Market Client Account
- Attorney Trust Master Account
- Interest on Lawyer Checking Account (IOLA)/Interest on Lawyer Trust Account (IOLTA)
- Landlord Rent Security Deposit Client Account
- Landlord Rent Security Deposit Control Account
- Foreign Currency Checking Account

We pay overdrafts at our sole discretion based on a variety of factors that may change from time to time,

including such factors as your account profile, history, volume of deposits, and past overdraft activities. This means we **do not guarantee** that we will authorize and pay any type of transaction.

If we do not authorize and pay an overdraft, your transaction will be declined.

How does the Bank determine if my account has sufficient funds to cover a transaction?

We use your “available balance” when determining whether a transaction overdraws your account. Available balance is the amount in your account that is immediately available for your use or withdrawal.

Your available balance is calculated based on the credits and debits that have been processed within your account (i.e., your “current balance”) minus **pending** credits and debits, including (1) any check deposits that are not yet available for withdrawal under our funds availability policy, (2) any debit card purchases that have been authorized and are pending or other debit transactions that we are legally obligated to pay but have not been withdrawn from your account, (3) other pending transactions such as ACH transactions, and (4) any holds on your account (e.g., holds on funds to comply with court orders or other legal requirements). For more information on the Bank’s funds availability schedule, please refer to our **Account Agreement and Privacy Notice**, under the header, “**When are your funds available for withdrawal?**”

Your account will not have sufficient funds to cover a transaction when your available balance is not enough to pay all the items that have been presented against your account on a business day.

IMPORTANT:

It is very important to understand that you **may still overdraw** your account even though your available balance appears to have enough funds to cover a transaction that you make. This may occur because your available balance does not include transactions that you initiated but have not yet reached your account, such as checks you have written that have not yet cleared and debit card purchases for which the merchant has not submitted an authorization hold. You can avoid overdrafts by simply keeping close track of your transactions.

An overdraft also could result from Bank fees debited from your account. We may create an overdraft in your account if your available balance is not sufficient to pay for Bank fees that we charge you. In addition, if any credits that were previously posted to your account and made available to you are returned, we will debit the amount of the return which will reduce your available balance on the day of the return. This could result in an overdraft.

What is the order of items processed within my account?

The order in which items are processed within your account impacts how the available balance is calculated for your account. The order of items processed may also affect the total fees charged to your account. Items are processed in the order we choose based on a number of factors, including, when a transaction occurs and the transaction type.

The following items are deducted from your account as they occur throughout the day:

- ATM withdrawals, Debit Card PIN and POS purchases, if there is a sufficient available balance in the account to pay them.
- All other debit transactions received real-time during the day. This includes teller withdrawals, cashed

checks, funds transfers, Valley Online bill payments initiated by you, and most ACH debits that we receive throughout the day.

The following items are treated as if they are received at the end of the day and processed in the below order:

- **First:** Deposits and all other credits to your account made before applicable cut-off times are added.
- **Second:** Checks presented for payment are processed in check sequence number order.*
- **Third:** Any other debit transaction not deducted during the day and Bank fees that have not already been debited from your account are deducted from your remaining available balance in the order of highest to lowest dollar amount.

At any time, we may modify the processing order at our sole discretion without notice to you. We may also manually process items to reflect adjustments or corrections in your account.

**Effective on or before January 1, 2022, checks presented for payment will be processed in the order from smallest to largest dollar amount for each business day's transactions.*

What fees does the Bank charge if an overdraft occurs?

Under our standard overdraft services, we will charge you the fees listed below when we pay an overdraft. Please note that these amounts **do not apply** to Business Analysis Checking and International Business Analysis Checking accounts. Please refer to the section "How does standard overdraft services work for my Analysis Checking Account?" on page 4 for more information on how fees are calculated.

Transactions	Overdraft Scenarios	Fee Description	Amount*
ATM Debit card	Transaction declined	No fee	
ACH Check	Transaction paid	Overdraft fee per paid item**	\$33.50
		Overdraft interest rate***	5.5%
All other transactions	Transaction paid	Overdraft interest rate***	5.5%
	Transaction declined	No fee	

**Fees are subject to change. Refer to the current Fee Schedule applicable to your account at <https://bl.valley.com/account-terms-and-fees>.*

***The "overdraft fee per paid item" is charged every time a check or ACH transaction is presented for payment and you do not have enough money in your account to cover the transaction, but the Bank elects to pay the transaction.*

**** Please refer to the question immediately below this section for more information about how the Bank calculates overdraft interest.*

There is **no limit** on the number of transactions that will be subject to a fee or the total allowable fees we charge per day. This may result in your account becoming overdrawn or an increase of the negative balance in your account. If we waive any fee on one occasion, it does not mean we will waive fees in the future.

How does the Bank calculate overdraft interest?

We currently charge an overdraft interest fee at a rate of 5.5% **per annum** on the total negative balance in your account. The overdraft interest is calculated each day there is a negative balance in your account. The daily overdraft interest amounts are aggregated at the end of your statement period and charged to your account. Overdraft interest will apply even if you do not have enough money in your account to pay for the interest which may result in your account becoming overdrawn or an increase of the negative balance in your account.

How does the overdraft interest fee appear on my statement?

If we charge any overdraft interest or overdraft fees, the amount will be identified on your account statement as "OD Fee." Please note that this identifier does not apply to Business Analysis Checking

and International Business Analysis Checking accounts. Please refer to the section “*How does standard overdraft services work for my Analysis Checking Account?*” on page 4 for more information on how fees are calculated.

Can I cancel the standard overdraft service for my account?

Yes. You may opt out of the Bank’s standard overdraft service for checks and ACH transactions by notifying your banking team in writing. It is important for you to understand that by opting out of this service without some other form of overdraft plan, such as a line of credit (which we offer to qualified accounts), you are instructing us to return unpaid all items presented against insufficient funds.

How does standard overdraft services work for my Analysis Checking Account?

Standard overdraft services work differently for Business Analysis Checking and International Business Analysis Checking accounts. Standard overdraft services for these accounts are based off of both your (i) ledger balance and (ii) available balance.

- Your **ledger balance** is the total amount of items posted to your account, including funds that may not be available for your use yet.
- Your **available balance** is the amount in your account that is immediately available for your use or withdrawal. Please refer to “*How does the Bank determine if my account has sufficient funds to cover a transaction?*” on page 2 for more information on how available balance is calculated.

We have **sole discretion** on whether to pay for any items presented against your account that may result in a negative ledger balance and/or available balance, except we do not pay for any ATM or debit card transactions that would result in negative balances. Our sole discretion is based on a variety of factors that may change from time to time, including such factors as your account profile, history, volume of deposits, and past overdraft activities. This means we do not guarantee that we will authorize and pay any type of transaction. If we do not authorize and pay an item, the item will be returned.

Under our standard overdraft services for Business Analysis Checking and International Business Analysis Checking accounts, we will charge you the fees listed below when we pay an item (other than ATM or debit card transactions) that if paid would result in a negative ledger and/or available balance.

- If an item is presented for payment to your account that, if paid, will result in a negative ledger balance, you will be charged an **Overdraft** fee, if we pay the item.
- If an item is presented for payment to your account that, if paid, would result in a negative available but not a negative ledger balance, you will be charged a **Drawn Against Unavailable Funds** fee, if we pay the item.
- If you have a negative ledger balance, you will be charged **Negative Ledger Balance** fee, interest for every day your account remains in negative ledger balance.

There is **no limit** on the number of transactions that will be subject to a fee or the total allowable fees we charge per day. This may result in your account becoming negative in ledger and/or available balance or an increase of the negative balance in your account. If we waive any fee on one occasion, it does not mean we will waive fees in the future.

For more information on the fees associated with the standard overdraft services for your Business Analysis Checking or International Business Analysis Checking account and how they appear on your statements, please contact your banking team.

Additional Resources

Avoid overdrawing your account

You can avoid overdrawing your account by making a deposit or transferring funds to cover the overdraft before the business day ends. If you deposit a check, the deposit is subject to the Bank's funds availability schedule and any other applicable holds that may delay the availability of your deposit to cover the overdraft that day.

Financial education helps our clients make informed decisions and to responsibly manage their personal finances. You can access financial literacy information and counseling through the federal government's website at www.mymoney.gov. You may also contact us at any time to discuss your financial options by calling 800.892.5430 (within the U.S.) or 917.542.2343 (from outside the U.S.).

Questions

If you have any questions regarding this notice, please contact the Bank at:

Valley National Bank
579 Fifth Avenue
New York, NY 10017

Telephone: 1.800.892.5430 (within the U.S.) | 1.917.542.2343 (from outside the U.S.) Website: <https://bl.valley.com/>