

Update to Terms and Conditions Overdraft Addendum

Section: Payment Order of Items - Effective May 1, 2025

The payments you authorize against your account may not be presented to us in the order in which you authorized them. The order in which items are presented may affect the amount of overdraft fees you incur. When processing items drawn on your account, our policy is to pay them according to the Tran Code priority and the dollar amount. Holds placed on your account for pending electronic transactions, such as hotel or rental car deposits and authorized point-of-sale debit card transactions (pay at the pump, etc.), reduce your available balance and may cause your account to become overdrawn. The payment order can affect the number of items overdrawn or returned unpaid and the amount of fees you may have to pay.

To assist you with managing your account, we are providing you with the following information regarding how we process those items.

- 1. Cash withdrawals and equivalents, Checks cashed, Real Time items (ex. Zelle, FedNow, Real Time Payment (RTP), etc.), Wires, Priority Debit items (force post and adjustments), and ATM withdrawals.*
- 2. Account-to-Account Transfers (includes digital and transfers made at ATM's), On-us checks deposited at Texas Bank and Trust, and Debit Card transactions (Point of Sale (POS) lowest to highest amount by Tran Code and card).*
- 3. Automated Clearing House (ACH) items including bill pay ACH items (lowest to highest amount). This excludes any bill pay item that is paid and cleared by check.*
- 4. Checks debited in the following order: Checks with no serial number, ACH items converted to Check, and Inclearing Checks (lowest to highest by serial number). This includes Bill Pay items paid and cleared by check.*
- 5. Account service fees.*

The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. There is no posting procedure that is favorable in every instance. If the smallest items are paid first, you may have fewer fees, but the largest, and perhaps more important items (such as rent or mortgage payments) might not be paid. However, if the largest items are paid first, your most important items might be paid but it may increase the fees if funds are not available to pay all of the items. We think our posting procedure attains a reasonable balance between minimizing additional cost to you and paying your more important items.

The law allows us to process your account transactions by any method and in any order that we consider reasonable. We may change the method or order at any time without notice to you.