OVERDRAFT DISCLOSURE FOR BUSINESS CHECKING ACCOUNTS

- **What You Need to Know about Overdrafts and Overdraft Fees**

An overdraft occurs when you do not have enough money in your checking account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft services that come with your checking account.
2. We also offer optional overdraft services, such as a link to another deposit account or line-of-credit, which may be less expensive than our standard overdraft services. To learn more, ask us about these services.

This disclosure explains our standard overdraft services.

- **What are the standard overdraft services that come with my checking account?**

Our Bounce Guard service authorizes and pays transactions that may overdraw your checking account.

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. For example, we may not pay overdrafts if your checking account is not in good standing or you have too many overdrafts.

If we do not authorize and pay a transaction that could overdraw your checking account, your transaction will be declined or returned.

- **What fees will I be charged if I have an overdraft?**

Under our standard overdraft services:

- We will charge you a fee of **$35** each time we pay or return a transaction that overdraws your checking account.
- The $35 fee will not be charged if your checking account balance at the end of the day, after all items have posted, is overdrawn $5 or less.
- If your checking account is overdrawn after 5 consecutive business days, we will charge you an additional $5 per business day.

Please refer to the Umpqua *Other Account Services Overview* and *your Product Disclosures* for additional details regarding fees.

- **Overdrafts could occur on your checking account in several ways**

We do not encourage you to overdraw your checking account; however, a negative end of day balance could occur on your checking account in several ways, including:

- Payment of checks, online bill payments, debit card purchases, electronic debits, ATM withdrawals or other withdrawal requests made by you;
- Deposited items that are returned unpaid;
- Service charges or other fees posted to your account;
- Transactions presented when there are holds on deposited funds where funds are not yet available for your use.

Refer to your *Business Rules and Regulations Disclosure* for more information.

The amount of any overdraft balance on your checking account, plus any associated fees, shall be due and payable upon demand. If there are any transactions paid by us that overdraw your checking account, and the checking account has more than one (1) owner, each owner or agent shall be jointly and severally liable for the overdraft balance plus associated fees.

- **We post transactions in a specific manner**

If there are funds to cover some but not all the transactions posting to your checking account, we will post them in a specific manner to ensure compliance with various Federal and State laws. For additional details on the order in which we post transactions to your checking account, please refer to the Payment Order of Items section of your *Business Rules & Regulations Disclosures* for more information.

- **We offer Bounce Guard for most checking accounts as a standard service**

Most checking accounts come with Bounce Guard which covers all transaction types.

Customers that do not qualify for Bounce Guard will receive a notice confirming that Bounce Guard will not be provided.

- **You may opt out of Bounce Guard service**

At any time, you may choose to opt out of Bounce Guard. If you do so and transactions are presented against a checking account that has insufficient funds, we may:

- Decline all ATM transactions and everyday debit card transactions; we will not charge a fee;
- Return checks, electronic debits and bill payments; a fee will be charged;
- Pay recurring debit card transactions; a fee will be charged.

Opting out of Bounce Guard does not guarantee that your checking account will not become overdrawn.

If you would like to opt out of Bounce Guard, please contact us. We will follow up your request with a notification of your decision by mail.

- **We may refuse to pay any transaction**

  At any time, we may refuse to pay any transaction which would cause your checking account to become overdrawn, even though we may have previously paid such transactions. For example, we may not pay overdrafts if your checking account is not in good standing (defined generally as bringing your checking account to a positive balance), there are no legal orders outstanding (including notice of bankruptcy filing), or you have too many overdrafts. While we have no obligation to notify you before we pay or return a transaction, generally, you will be notified by mail after any of these transactions are paid or returned on your account. If we refuse to pay a transaction, a fee may be charged; multiple fees may be applied in any given day.

  Please refer to the Umpqua *Other Account Services Overview* and *Product Disclosures* for details regarding fees.

- **We will notify you of your situation and options when your checking account is overdrawn**

  We will notify you in the event your account becomes overdrawn. If your checking account remains continuously overdrawn, we will periodically notify you by mail informing you of your situation and options. If after 30 days your checking account has not been brought to a positive balance, we will close your checking account and take other steps to recover the overdrawn funds and any associated fees. These steps could include submitting a negative report to a consumer reporting agency and turning your checking account over to a collection agency.

- **We offer other services that can help you maintain your checking account**

  We offer other services that can help you maintain your checking account and may reduce the cost of overdrafts. Please ask your Store Associate, call us or visit us online at www.umpquabank.com for more information on our optional overdraft services, use of check registers, account alerts, mobile banking, telephone banking, online banking and account transaction downloads.

  If you have questions about this document or any banking needs, please visit your local Store, or call us at 1-866-4UMPQUA (1-866-486-7782).

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