



SmartBank®

Notice of Funds Availability Regarding Check Deposits

Dear Valued SmartBank Client,

May 1, 2024

SmartBank has recently evaluated current processes as it relates to its funds availability policy. This **important communication** will address **when deposits will be made available** beginning **Wednesday, June 5, 2024**. The changes in availability specifically related to deposits made by check, including deposits made via SmartBank's app using the Mobile Check Deposit feature, may be impacted.

We have enclosed a copy of the Bank's funds availability policy which indicates that clients are able to withdraw or have access to funds deposited into their account on the **next business day after** the day of deposit. In some cases, the Bank may delay availability to withdraw funds beyond the first business day after deposit. Should there be further delay of availability, the client will be notified at the time of deposit.

Deposits that are made in the forms described below will not be impacted by this policy and will allow **for same day availability**. These include the following:

- Electronic Direct Deposit
- Cash
- Wire Transfers
- Checks drawn on SmartBank
- Cashier's, Certified or Teller's Checks drawn on SmartBank
- U.S. Treasury Checks

Deposits that will be impacted by this policy and made available on the **next business day after the day of deposit** include **all other check deposits** that are not stated in the above mentioned list:

- U.S. Postal Service Money Orders
- Federal Reserve Bank or Federal Home Loan Bank Checks
- State or Local Government Checks
- Checks *not* drawn on SmartBank
- Cashier's, Certified or Teller's Checks *not* drawn on SmartBank

In circumstances when check deposits are made that require next day availability, the Bank will make an initial \$225.00 available to pay checks or items that are presented to the Bank for posting or debiting your account on the day of the deposit. **This excludes mobile check deposits, check deposits made via the ATM and commercial remote deposit capture.**

Depending on the type of check that you deposit, funds may not be available until the second business day or longer, after the day of your deposit. If the Bank holds funds longer than stated in the availability policy, you will be notified at the time you make your deposit. Please be sure to review this important notice so that you are aware of changes that may impact your deposit routine effective June 5, 2024.

Should you have any questions, please do not hesitate to reach out. You may call or visit your **local branch** or contact our **Client Services Team** at **866.290.2554** or by visiting our website **www.smartbank.com** for a live chat session.

Thank you for your continued support and banking relationship with SmartBank.

FUNDS AVAILABILITY POLICY DISCLOSURE

Rev. June 2024



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PURPOSE OF THIS DISCLOSURE. Our general policy is to allow you to withdraw funds deposited in a transaction account by the first business day after the day of deposit. Funds from electronic deposits will be available on the day we receive the deposit. In some cases, we may delay your ability to withdraw funds beyond the first business day after the day of deposit. Our complete policy is summarized below.

For purposes of this disclosure, the terms "you"/"your" refer to the client and the terms "our"/"we"/"us" refer to SmartBank.

Generally, transaction accounts are accounts which would permit an unlimited number of payments by check to third persons, and also an unlimited number of telephonic and preauthorized transfers to third persons or other accounts you may have with us.

DETERMINING THE AVAILABILITY OF YOUR DEPOSIT. The length of the delay varies depending on the type of deposit and is explained below. When we delay your ability to withdraw funds from a deposit, you may not withdraw the funds in cash, and we will not pay checks you have written on your account by using these funds. Even after we have made funds available to you and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

When we delay your ability to withdraw funds, the length of the delay is counted in business days from the day of your deposit. The term "business day" means any day other than a Saturday, Sunday or federally declared legal holiday, and the term "Banking Day" means that part of any business day on which we are open to the public for carrying on substantially all of our banking functions.

If you make a deposit before the close of business on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after the close of business or on a day that we are not open, we will consider the deposit made on the next business day we are open.

AVAILABILITY SCHEDULE

Same Day Availability. Funds from deposits of:

- Electronic direct deposits
- Cash*
- Wire transfers
- U.S. Treasury checks**
- Checks drawn on us

will be available on the day of deposit.

Next Day Availability. Funds from deposits of:

- U.S. Postal Service money orders**
- Federal Reserve Bank or Federal Home Loan Bank checks**
- State or Local Government checks**
- Cashier's, Certified, or Teller's checks**

will be available by the first business day after the day of deposit.

Other Check Deposits. Funds from all other check deposits will be available by the first business day after the day of your deposit.

* **Cash Deposits.** If the cash deposits are made in person to an employee of SmartBank, then the funds will be made available on the day we receive your deposit. If they are not made in person to an employee, then the funds will be made available no later than the next business day after the day of your deposit.

** **Check Deposits.** Check deposits include U.S. Treasury checks; U.S. Postal Service money orders; Federal Reserve Bank or Federal Home Loan Bank checks; State or Local Government checks; and Cashier's, Certified, or Teller's checks. In order for these check deposits to be made available according to the funds availability schedule above, the following conditions are required:

U.S. Treasury Checks. These checks must be made payable to you and deposited into your account.

U.S. Postal Service Money Orders; Federal Reserve Bank or Federal Home Loan Bank Checks; State or Local Government Checks; or Cashier's, Certified, or Teller's Checks. These checks must be made payable to you, made in person to one of our employees, and deposited into your account.

If any of these conditions are not satisfied, then the funds from these check deposits will be made available no later than the second business day after the day of your deposit.

Cash Withdrawal Limitation. We place certain limitations on withdrawals in cash. In general, \$225.00 of a deposit of checks is available for withdrawal in cash on the same day that we receive your deposit. All remaining funds will be available for withdrawal in cash by the first business day after the day of deposit.

LONGER DELAYS MAY APPLY. In some cases, we will not make all of the funds that you deposit by check available to you according to the previously stated availability schedule. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$225.00 of your deposits, however, may be available on the day of deposit.

If we are not going to make all of the funds from your deposit available to you according to the previously stated availability schedule, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

Funds you deposit by check may be delayed for a longer period under the following circumstances:

- (a) if we believe a check you deposit will not be paid;
- (b) if you deposit checks totaling more than \$5,525.00 on any one day;
- (c) if you redeposit a check that has been returned unpaid;
- (d) if you have overdrawn your account repeatedly in the last six months; or
- (e) if an emergency condition arises that would not enable us to make the funds available to you, such as the failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

HOLDS ON OTHER FUNDS FOR CHECK CASHING. If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

HOLDS ON OTHER FUNDS IN ANOTHER ACCOUNT. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

SPECIAL RULES FOR NEW ACCOUNTS. If you are a new client, the following special rules may apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account and checks drawn on us will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525.00 of a day's total deposits of U.S. Treasury checks, U.S. Postal Service money orders, cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available by the first business day after the day of deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525.00 will be available by the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525.00 will not be available until the second business day after the day of deposit.

Other Check Deposits. Funds from all other check deposits will be available by the ninth business day after the day of deposit.

FOREIGN CHECKS. Checks drawn on financial institutions outside of the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds from deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which they are drawn.

DEPOSITS AT AUTOMATED TELLER MACHINES. If you make a deposit at an automated teller machine (ATM) that is owned and operated by us before 5:00 pm CST/ 6:00 pm EST on a business day that we are open, we will consider the deposit made that day. However, if you make a deposit at an ATM that is owned and operated by us after 5:00 pm CST/ 6:00 pm EST or on a day that we are not open, we will consider the deposit made on the next business day we are open.

ADDITIONAL ATM INFORMATION. Cash Deposits made at a SmartBank owned ATM will be available on the day we receive your deposit. Check deposits including checks drawn on us made at a SmartBank owned ATM will be available by the first business day after the day of deposit unless a longer delay applies.