



## AXOS BANK – OVERDRAFT LINE OF CREDIT TERMS AND CONDITIONS

The following terms and conditions (the “Overdraft Account Terms”) apply to your overdraft line of credit account (the “Overdraft Line of Credit Account”) with AXOS BANK (“Bank”) and shall serve to supplement any other agreements between you and Bank, each of which shall remain in full force and effect in accordance with their respective terms.

### Parties

In these Overdraft Terms, "you" and "your" mean anyone authorized to use the Overdraft Line of Credit Account or the related checking account(s) (individually and collectively, the "Checking Account"), or both. "We", "our" and "us" refer to BANK.

### Using Your Overdraft Line of Credit Account

We will extend credit to you under the terms and conditions of these Overdraft Account Terms. We will advance funds from your Overdraft Line of Credit Account to your associated Checking Account if you overdraw your Checking Account, whether intentionally or not. Any checks, electronic debits or other charges presented against your Checking Account, including checks drawn by someone actually or apparently acting for you, may trigger an advance under these Overdraft Account Terms. Without limiting the foregoing, if you obtain cash for or deposit a check which is not drawn on us and the check is later returned to us without payment for any reason, we may charge the amount of the check to your Checking Account and may cover any resulting overdraft by transferring available funds from your Overdraft Line of Credit Account as provided in these Overdraft Account Terms. We will make advances in increments equal to the amount required to pay any item which creates an overdraft to be covered by your Overdraft Line of Credit Account, up to the balance remaining on your Credit Limit.

### Credit Limit

You agree not to exceed the credit limit we periodically set for the Overdraft Line of Credit Account (the “Credit Limit”). We may reduce or eliminate your Credit Limit at any time at our sole reasonable discretion. We may, but are not required to, extend credit in excess of your Credit Limit. If we do extend credit in excess of your Credit Limit, it does not create an obligation for us to do so again in the future.

### How Interest Charges Are Calculated

You will be required to pay periodic interest charges on all advances from the date they are posted to your Overdraft Line of Credit Account until paid. There is no time period during which you may repay any advances without incurring an interest charge (**no grace period**). We compute the interest charge on your Overdraft Line of Credit Account by multiplying the Daily Periodic Rate by the Average Daily Balance and then multiply that by the number of days in the billing cycle. To calculate your "Average Daily Balance", we calculate the daily balance for each day in the billing period. To calculate the daily balance for each day, we start the balance at the beginning of each day, subtract any payments or credits received for that day, and add the advances or other debits (including any interest charge or late charge). Then we add all of the daily balances together and divide that total amount by the number of days in the billing period. This gives us the "Average Daily Balance". The Daily Periodic Rate is 0.049315%, which corresponds to an ANNUAL PERCENTAGE RATE of 18.00%.

### Penalty Interest Rate

If your Overdraft Line of Credit Account becomes more than 45 days past due on any given payment, the Daily Periodic Rate will be adjusted to a penalty rate of 0.065479%, which corresponds to a PENALTY



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**ANNUAL PERCENTAGE RATE of 23.90%. We may keep the APR at this level indefinitely.**

### **Promise To Pay: Payments Due**

You promise to pay us all advances, interest charges and any fees associated with your Overdraft Line of Credit Account. You may elect to pay the entire amount, or a portion of the amount owing on your Overdraft Line of Credit Account, for each billing cycle. You must pay at least the minimum payment amount shown on your statement prior to a payment due date. The current payment will be five percent (5.00%) of the outstanding balance shown on your statement or \$25.00, whichever is greater, plus any past due amount and any late charges. We will automatically debit your Checking Account to make the minimum monthly payment on the payment due date. If the due date lies on a non-business day (i.e. weekend and/or holiday), we will debit your Checking Account the business day preceding the due date. If on the due date there are insufficient funds to allow us to debit the Overdraft Line of Credit Account for the minimum payment, then we will debit the Checking Account for any unpaid interest charges, if there are sufficient funds available. If there are insufficient funds to make the minimum payment, then the minimum payment amount shall be considered past due. Prepayments may be made during any monthly billing cycle, so long as any amount is owed on the Overdraft Line of Credit Account. You may not make any payment directly or indirectly by an advance on your Overdraft Line of Credit Account. We can accept partial payments, but not designated as "payment in full". Receipt of partial payments does not release you of your obligations under these Overdraft Account Terms .

### **Late Fee**

**There will be a \$25 late fee assessed for payment received 10 days after the due date  
Overdraft Line of Credit Account Activity Requirement**

**To maintain use of an Overdraft Line of Credit Account, you must maintain an active related Checking Account. We may elect to close any Overdraft Line of Credit Accounts starting 30 days after we have determined that the related Checking Account has not had a customer initiated deposit or ACH credit for a period of at least 60 days.**

### **Security Interest**

For any claim we may have against you under these Overdraft Account Terms, you grant us a continuing security interest and general lien upon the Overdraft Line of Credit Account and any account or assets you maintain with us, and acknowledge that we shall have a right of setoff against any such accounts or assets to the extent of any claim or amount owed by you to us under any provision of these Overdraft Account Terms. In connection therewith, you further grant us a security interest and right of setoff against all the moneys, securities and other property in the possession or control of you or a financial intermediary for your account (including any of our affiliates), and you authorize us to perfect such security interest by giving notice thereof to such financial intermediary. In the event we have a claim against you which has not been promptly paid, we shall have the right to satisfy the claim by liquidating or withdrawing the amount owed to us from the accounts or assets referenced in this section, including those maintained with our affiliates, to the extent not prohibited by law.

### **Address Change**

You agree to give us advance written notice of any change in your name, address, email, or phone number.



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### **Credit And Employment Information**

You authorize us to release information regarding the status and history of your Overdraft Line of Credit Account to others, such as credit bureaus, merchants and other financial institutions. We may report information about your Overdraft Line of Credit Account to credit bureaus. Late payments, missed payments, or other defaults on your Overdraft Line of Credit Account may be reflected in your credit report.

### **Governing Law**

This Agreement is governed by federal laws and, when applicable, the laws of the State of California.

### **Your Billing Rights**

**Keep This Notice For Future Use.** This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act and applies to this and all Overdraft Line of Credit Accounts.

### **Notify Us In Case Of Errors Or Questions About Your Bill**

If you think your bill is wrong, or if you need information about a transaction on your bill, write us (on a separate sheet) at the address listed on your bill, or, send a secure message. Write us as soon as possible. We must hear from you no later than sixty (60) days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter or message, give us the following information:

Your name and account number.

The dollar amount of the suspected error.

Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

### **Your Rights And Our Responsibilities After We Receive Your Written Notice**

We must acknowledge your letter or message within thirty (30) days, unless we have corrected the error by then. Within ninety (90) days, we must either correct the error or explain why we believe the bill was correct. After we receive your letter or message, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including interest charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any interest charges related to any questioned amount. If we did not make a mistake, you may have to pay interest charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

### **Waiver**

We may delay enforcing our rights under these Overdraft Account Terms without losing them. Any waiver by us shall not be deemed to be a waiver of other rights or of the same right at another time.

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### **Amendment**

We may amend these Overdraft Account Terms from time to time by sending a notice or an amended set of terms via email with a link to our Internet disclosure, or to any of you at the current address shown on our records. Unless we state otherwise, the outstanding balance existing on the effective date of any amendment will be subject to the terms of the amended set of terms.

### **Termination**

We may terminate or suspend your Overdraft Line of Credit Account at any time, with or without cause, upon such notice as is then required by law. If your Overdraft Line of Credit Account is terminated or suspended under this provision, you will continue to be liable for all sums owed until is paid in full.

### **Default**

If you are in default, we may terminate or suspend your Overdraft Line of Credit Account and also may require immediate payment in full of the entire account balance. You will be in default, without notice to you, if any of the following occur:

- If you fail to make any payment required by these Overdraft Account Terms or fail to comply with the other terms of these Overdraft Account Terms or any other agreement with us, or any person who has guaranteed your obligations under these Overdraft Account Terms (a "Guarantor") fails to comply with the terms of the guarantee;
- Another creditor attempts to attach, levy on, garnish or seize funds in the Checking Account or other property of yours;
- We have evidence or a reasonable belief that you will be unable to repay your obligation to us or others;
- We have evidence or a reasonable belief that an unauthorized use of the Overdraft Line of Credit Account or the Checking Account may have or has been made;
- You or any Guarantor dies, becomes incompetent, insolvent, or subject to a bankruptcy or receivership proceeding; or
- Your Checking Account is closed by you or by us for any reason.

### **Unauthorized Use**

You agree to notify us if any unauthorized use of the Overdraft Line of Credit Account has occurred or you believe may occur, whether as a result of loss or theft of any of your checks or otherwise. You agree to notify us as soon as possible, but in no event later than the day of discovery of a loss or theft. Notify us by phone, chat, secure message, or write the address shown on your billing statements You agree to tell us what you know about the loss or theft in writing, and you agree to assist us in discovering the circumstances relating to any unauthorized use of the Overdraft Line of Credit Account.

### **Severability**

If any provision of these Overdraft Account Terms is held to be invalid or unenforceable under any law, rule or regulation, that determination shall not affect the validity or enforceability of any other provision of these Overdraft Account Terms.

### **Notices**

Any notices we give you shall be deemed given when sent by email to the email address on file if you have agreed to such delivery, or deposited in the U.S. mail, with postage prepaid, and addressed to you at the

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address in our records. Notices to us must be by phone, chat, secure message, or sent to the address shown on your most recent billing statement.

### **Collection Costs**

In the event of a default, you agree to pay all collection costs, including legal expenses, our costs and our attorneys' fees (including the allocated costs of in-house counsel), legal expenses and court costs for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and post judgments collection costs and services. Any collection costs we incur will be added to your Overdraft Line of Credit Account and will bear interest as part of the principal balance of the Overdraft Line of Credit Account.

### **Military Lending Act**

*Military Lending Act* - Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).

If you are a "Covered Borrower" as defined by the Military Lending Act, please call (866) 923-3625 for an oral disclosure of the statement of the Military APR applicable to your Overdraft Line of Credit Account and a description of your payment obligations.

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**AXOS BANK – OVERDRAFT LINE OF CREDIT PRICING SCHEDULE**

<b>Interest Rates and interest Charges</b>	
<b>Annual Percentage Rate (APR) for Overdraft Line of Credit</b>	<b>18.00%</b>
<b>Paying Interest</b>	You will be charged interest from the transaction date.

<b>Fees</b>	
<b>Annual Fee</b>	There is no annual fee
<b>Penalty Fees</b> <ul style="list-style-type: none"> <li>▪ Late Fee</li> <li>▪ Penalty Annual Percentage Rate (APR)</li> </ul>	<p>There will be a <b>\$25</b> late fee charged 10 days after the due date.</p> <p>After 45 days past due, your account will start accruing at a penalty APR of <b>23.90%</b>.</p>

**How We Will Calculate Your Balance:** We use a method called “average daily balance (including new purchases.” See your account agreement for more details.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.