

# Addendum to: Commercial account agreement

In support of customer migrations to certain commercial deposit products from August 2020 through February 2021

This Addendum to Commercial Account Agreement (“Addendum”) modifies the Wells Fargo Commercial Account Agreement dated June 23, 2019 (“Agreement”) for customers maintaining certain Wells Fargo Commercial products to which customers migrated between August 2020 and February 2021. All terms defined in the Agreement have the same meaning when used in this Addendum. If there is a conflict between the Agreement and this Addendum, this Addendum will control. Except as modified by this Addendum, the Agreement remains in effect.

1. The definition of “account” on page 2 of the Agreement is deleted in its entirety and replaced with:

**“Account**

Your Wells Fargo Commercial checking account.”

2. The following provision is added immediately before “When can you close your account?” on page 12 of the Agreement:

**“Important information for accounts with a zero balance:**

When your account has a zero balance, it may be subject to automatic closure on the fee period ending date, depending on when the last qualifying transaction posted to your account.

- In order to prevent automatic closure, an account with a zero balance must have a qualifying, non-automatic transaction posted within the last two months of the most recent fee period ending date.
- Examples of qualifying transactions are deposits or withdrawals made at a branch, ATM, or via telephone, mobile deposits, one-time transfers made at a branch, ATM, online, mobile, or via telephone, or checks paid from the account.
- Automatic or electronic deposits, such as payroll, and automatic or electronic payments, including bill pay, recurring transfers, and any transactions we originate, like monthly service or other fees, are not considered qualifying transactions for the purpose of preventing closure of an account with a zero balance.”

3. The questions and answers under “Available balance, posting order, and overdrafts” beginning on page 19 of the Agreement and continuing to “Additional Rules for checks and withdrawals” on page 21 of the Agreement are deleted in their entirety and replaced with:

### “How do we determine your account’s available balance?”

The available balance in your account is our most current record of the amount of money in your account available for your use or withdrawal. We use the available balance to authorize your transactions during the day (e.g., debit card purchases and ATM withdrawals). We also use the available balance to pay your transactions in our nightly processing. We calculate your available balance as follows:

- We start with the ending daily account (posted) balance from our nightly processing on the prior business day of all transactions deposited to or paid from your account.
- We subtract from this amount any holds placed on a deposit to your account and any holds placed due to legal process.
- We add pending deposits that are immediately available for your use (including cash deposits, electronic direct deposits, and the portion of a paper check deposit we make available; see “Funds availability policy” section of the Agreement for details).
- We subtract pending withdrawals that we have either authorized (such as debit card purchases and ATM withdrawals) or are known to us (such as your checks and preauthorized automatic ACH withdrawals that we receive for payment from your account) but have not yet processed.

The available balance may **not** reflect every transaction you have initiated or we previously authorized. For example, the available balance **may not include** the following:

- Outstanding checks and authorized withdrawals (such as recurring debit card transactions and ACH transactions that we have **not** received for payment).
- The final amount of a debit card purchase. For example, we may authorize a purchase amount prior to a tip that you add.
- Debit card transactions that have been previously authorized but not sent to us for final payment. We must release the transaction authorization hold after three business days (or up to 30 business days for certain types of debit or ATM card transactions, including car rental, cash, and international transactions) even though the transaction may be sent for payment from your account, which we must honor, at a later date.

**Important note:** We may place a hold on your account if we receive an electronic notice that an item will be presented for payment or collection against your account (Notice of Presentment). This hold may remain in effect from the time the Notice of Presentment is received until the item is presented or notice is received that the item will not be presented, whichever occurs first. We may conclusively rely on the information we receive in an electronic presentment or notification when determining the available balance in your account. We will not have any liability for refusing to honor any of your items because of insufficient funds, even if the electronic presentment or notification incorrectly describes the item, including its amount. We may debit your account on the day an item is presented by any means, including electronically, or at an earlier time based on a notification received by us that an item drawn on your account will be presented for payment or collection. A determination of the balance in your account for purposes of making a decision about whether not to honor an item due to insufficiency or unavailability of funds may be made at any time between the presentment of the item (or earlier upon receipt of any Notice of Presentment) and the time the item is returned. Only one such determination needs to be made.

## How do we process (post) transactions to your account?

We process transactions each business day (Monday through Friday except federal holidays) during a late night process. Once we process your transactions, the results will be posted to your account. There are three key steps to this process. The most common types of transactions will be processed as described below.

**First, we determine the available balance in your account (as described above) that can be used to pay your transactions.**

**NOTE:** Certain pending transactions can impact your available balance:

- Cash deposits or transfers from another Wells Fargo account that are made AFTER the displayed cutoff time (where the deposit was made) will be added to your available balance if they are made before we start our nightly process.
- Your available balance will be reduced by pending withdrawals, such as debit card transactions we have authorized and must pay when they are sent to us for payment. If your account has insufficient funds as reflected by your available balance, we may assess overdraft and/or Non-Sufficient Funds (NSF) fees on transactions we pay or return during nightly processing. A pending transaction will typically remain pending until we receive it for payment from your account, but we must release the pending transaction hold after three business days for most transactions. These pending transactions may be sent to us for payment after they have dropped from your account, but we must pay them when we receive them for payment. In some circumstances, previously authorized transactions may be paid into overdraft if other transactions or fees have reduced your balance before the pending transactions are sent to us for payment. To minimize the number of overdraft fees in these circumstances, we track transactions that reduced your available balance while pending and caused overdraft fees on other transactions. If these transactions are presented for payment within 10 business days after they first appeared as pending, we will waive any overdraft fees on those transactions. In rare circumstances, the merchant presents transactions for payment with a different identification code than was used when the transaction was sent for authorization and we are unable to match them. In those cases, you may be charged an overdraft fee if the transaction is paid into overdraft.

**Then, we sort your transactions into categories before we process them**

- First, we credit your account for deposits, including cash and check deposits and incoming transfers, received before the cutoff time at the location the deposit or transfer was made.
- Then, we process withdrawals/payments we have previously authorized and cannot return unpaid, such as debit card purchases, ATM withdrawals, account transfers, Online Bill Pay transactions, and teller-cashed checks. If we receive more than one of these transactions for payment from your account, we will generally sort and pay them based on the date and time you conducted the transactions. For a debit card transaction, if a merchant does not seek authorization from us at the time of the transaction, we will use the date the transaction is received for payment from your account. For some transactions, such as Online Bill Pay transactions or teller-cashed checks, the time may be assigned by our systems and may vary from the time it was conducted. Multiple transactions that have the same time will be sorted and paid from lowest to highest dollar amount.
- Finally, we use your remaining funds to pay your checks and preauthorized automatic ACH payments (such as bills you pay by authorizing a third party to withdraw funds directly from your account). If there is more than one of these types of transactions, they will be sorted by the date and time that they are received by us. Multiple transactions that have the same time will be sorted and paid from lowest to highest dollar amount.

**Finally, if the available balance in your account is not enough to pay all of your transactions, we will take the following steps:**

- First use Overdraft Protection (if applicable): We will transfer/advance available funds from a savings and/or credit account you have linked to your checking account for Overdraft Protection (described under “What is Overdraft Protection?”, below).

- Then, decide whether to pay your transaction into overdraft or return it unpaid: At our discretion, we may pay a check or automatic payment into overdraft, rather than return it unpaid. This is our standard overdraft coverage. If we pay the transaction into overdraft, it may help you avoid additional fees that may be assessed by the merchant. Debit card transactions presented to us for payment (whether previously approved by us or not) will be paid into overdraft and will not be returned unpaid, even if you do not have sufficient funds in your account.

#### **IMPORTANT INFORMATION ABOUT FEES:**

- Fees may be assessed with each item paid into overdraft or returned unpaid subject to the following:
- A single Overdraft Protection Transfer or Advance Fee will be assessed when we need to transfer/advance funds from your linked account(s) into your checking account, but only if the transfer/advance covered at least one pending item, or helped you avoid at least one overdraft or returned item.
- No overdraft fee will be assessed on ATM and everyday (one-time) debit card transactions unless Debit Card Overdraft Service is added to your account. The merchant informs us if a debit card transaction is a one-time or recurring transaction. An overdraft fee can be assessed on recurring debit card transactions and any other item we pay into overdraft.
- Any overdraft or returned item fees assessed will be deducted from your account during the morning of the next business day following our nightly process.
- We will track transactions that reduced your available balance while pending and caused overdraft fees on other transactions. If these transactions are presented for payment within 10 business days after they first appeared as pending, we will waive any overdraft fees on those transactions. In rare circumstances, the merchant presents transactions for payment with a different identification code than was used when the transaction was sent for authorization and we are unable to match them.

#### **What is Overdraft Protection?**

This is an optional service you can add to your checking account by linking up to two eligible accounts (one savings, one credit). We will use available funds in your linked account(s) to authorize or pay your transactions if you don't have enough money in your checking account. A single Overdraft Protection Transfer or Advance Fee will be assessed any day a transfer/advance is made regardless of the number of transactions covered or whether funds are transferred/advanced from multiple accounts. Also, we will not charge a fee unless the transfer/advance covered at least one pending item, or helped you avoid at least one overdraft or returned item. If you link two accounts, you may tell us which account to use first to transfer/advance funds. If you do not specify an order, we will first transfer funds from your linked savings account.

- **Transfers from linked savings account.** If the available balance in your savings account is \$25 or more and can cover the overdraft (plus the Overdraft Protection Transfer Fee), we will transfer the exact amount needed or a minimum of \$25. If the available balance in your savings account is less than either \$25 or the amount needed, we will transfer the available balance.
- **Advances from linked credit card or line of credit account.** If the available credit in your credit card account is \$25 or more and can cover the overdraft, we will advance the exact amount needed or a minimum of \$25. If the available credit in your credit card account is less than either \$25 or the amount needed, we will advance the available credit. Advances from an eligible linked Wells Fargo line of credit will be made in increments of \$100 or \$300 (See your Credit Account Agreement for specific details).

### What is Debit Card Overdraft Service?

Debit Card Overdraft Service allows us to approve (at our discretion) your ATM and everyday (one-time) debit card transaction(s) if you do not have enough money in your checking account or in accounts linked for Overdraft Protection at the time of the transaction. With this service, ATM and everyday (one-time) debit card transactions may be approved into overdraft at our discretion and an overdraft fee may apply. If you make a covering transfer or deposit (subject to our funds availability policy) by the posted cutoff time on the same business day as the transaction, no fees will be assessed. Debit Card Overdraft Service does not apply to checks and other transactions such as Bill Pay, ACH, or recurring debit card transactions (such as utilities or health club memberships). We may continue to authorize or pay these transactions into overdraft, at our discretion, and our standard overdraft fees and policies will apply.

If Debit Card Overdraft Service is not added and there is not enough money in your checking account or accounts linked for Overdraft Protection, your ATM and everyday (one-time) debit card transactions will be declined, and there will be no fees for declined transactions. If the service is not added and your ATM or everyday (one-time) debit card transaction creates a negative balance during posting, there will not be an overdraft fee.

#### **Debit Card Overdraft Service is automatically added to eligible business accounts at account opening.**

You can add or remove the service at any time. Debit Card Overdraft Service is not available for certain accounts, such as accounts for government entities or savings accounts. Debit Card Overdraft Service is a discretionary service that we may remove for a variety of reasons including excessive overdrafts or returned items, as we determine.

### What is Wells Fargo's standard overdraft coverage?

Our standard overdraft coverage is when, at our discretion, we pay items, such as checks or automatic payments (e.g., ACH payments) into overdraft rather than returning them unpaid. You can request to remove our standard overdraft coverage from your account by speaking to a banker.

**Important:** If standard overdraft coverage is removed from your account, the following will apply if you do not have enough money in your checking account or in accounts linked for Overdraft Protection to cover a transaction:

- We will return your checks and automatic payments (such as ACH payments) and assess a returned item fee (Non-Sufficient Funds/NSF) and you could be assessed additional fees by merchants.
- We will not authorize ATM and everyday (one-time) debit card transactions into overdraft. If your account is enrolled in Debit Card Overdraft Service, the service will also be removed.
- We will not authorize certain transactions (such as cashed checks, recurring debit card transactions, or Bill Pay transactions) into overdraft. However, if these transactions are authorized when your account has enough money but are later presented for payment when your account does not have enough money, we will pay the transaction into overdraft and charge an overdraft fee.

### What is your responsibility if your account has an overdraft?

If you have an overdraft on your account (including transactions we have paid on your behalf into overdraft, plus any fees), you must promptly make a deposit or transfer to return your account to a positive balance.

If you fail to bring your checking account to a positive balance, we will close your account. Also, we may report you to consumer reporting agencies and initiate collection efforts. You agree to reimburse us for the costs and expenses (including attorney's fees and expenses) we incur. We may close your account due to excessive overdrafts, as we determine."