

## Protect Yourself Against Overdrafts

Claremont Savings Bank recommends that you do not overdraw your account. Please remember when you use your checking account that if you do not have the money in the account:

- do not write the check.
- do not do the debit transaction.
- do not authorize the ACH transaction.
- do not do the ATM withdrawal.

However, we know that **inadvertent overdrafts** can happen, and CSB offers three different programs to cover unintentional overdrafts. These services include our Automatic Transfer Service, Overdraft Line of Credit, and our Allowable Overdraft Program, which is the primary subject of this disclosure. You may choose one or a combination of these programs. If you take advantage of more than one option, the Allowable Overdraft Program will be the last option activated. You are not required to enroll in any of these services.

Alternative **LESS EXPENSIVE** overdraft options. We offer Automatic Transfer and Overdraft Line of Credit options. These alternatives may better serve your needs and could save you money.

**Automatic Transfer Service:** Automatically transfers funds from your designated savings account to avoid an overdraft in your consumer checking account. Transfers are made in the exact amount plus a \$3.00 fee. The Automatic Transfer Service provides overdraft coverage for the following transaction types: everyday debit card transactions, ATM transactions, checks, Automated Clearing House (ACH) transactions, recurring debit card transactions, or any other transactions using your account number. Additional terms and conditions apply. Can be combined with the Allowable Overdraft Program. The Allowable Overdraft Program will be used only when there are insufficient funds available in the savings account.

**Overdraft Line of Credit:** This is a line of credit for which you must apply and is subject to credit approval. In the event your eligible checking account becomes overdrawn because of an everyday debit card transaction, ATM transaction, check, Automated Clearing House (ACH) transaction, recurring debit card transaction, or any other transaction using your account number, available funds will be transferred. This is not a commitment to lend. Subject to credit approval and additional terms, conditions, and fees apply. No other Overdraft options are available if the Overdraft Line of Credit is selected.

**Allowable Overdraft Program.** Claremont Savings Bank's Overdraft Program is our discretionary overdraft service. Using our Overdraft Program **is expensive and may not be the best option for you**. You can decline or opt out of this service at any time by calling 603-542-7711, 1-800-992-0316 or by visiting one of our branches.

### Allowable Overdraft Program Eligibility

1. You must have a consumer checking account.
  2. Your account has been open for 60 calendar days.
  3. Your account must have a 2-month average balance of at least \$500.00.
  4. Your account must not have any prior overdrafts.
- The Allowable Overdraft Program is automatically activated after meeting the above requirements 60 days after opening your account. The maximum limit is \$500.00.
  - If the account remains negative for 10 days, the Allowable Overdraft Program will be removed automatically. If negative after 45 days, the checking account may be closed.

- If more than 6 overdrafts occur in a 12-month period, the Allowable Overdraft Program will be removed automatically.
- Customers will not requalify for overdraft protection once privileges have been lost.
- You may Opt-Out of the Allowable Overdraft program at any time by calling 603-542-7711, 1-800-992-0316 or by visiting one of our branches.

#### **Fees - Overdraft/Non-Sufficient Funds (NSF) Item Paid or Returned**

Overdraft item paid (Overdraft Fee): **\$30.00 per item.**

Overdraft item returned (NSF Return Item Fee): **\$30.00 per item\***

**Important Information Regarding Overdraft Fees.** For Allowable Overdraft Program coverage, we charge an Overdraft Fee of \$30.00 for each transaction that overdraws your account, up to the “daily maximum charge” listed below. We do not charge an Overdraft Fee for items overdrawing the account by \$10.00 or less.

No matter what Overdraft Program coverage option you choose, we may return or reject, rather than pay transactions if there are insufficient funds available in your account, or if the amount of an attempted transaction is larger than your available overdraft limit. Each time we return rather than pay any of the following transaction types: checks, Automated Clearing House (ACH) transactions, electronically converted checks, electronic bill payments, and recurring debit card transactions, we assess a \$30.00 NSF Return Item Fee.

**\*Important Information Regarding NSF Return Item Fees.** If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money in your account, and we decide not to pay the item or transaction, you agree that we can charge you a \$30.00 NSF Return Item Fee for returning the payment. This NSF Return Item Fee applies to the following transaction types: checks, Automated Clearing House (ACH) transactions, electronically converted checks, electronic bill payments, and recurring debit card transactions. Be aware that such an item or payment may be presented multiple times by the merchant or other payee until it is paid. We do not monitor or control the number of times a transaction is presented for payment. You agree that we may charge you an NSF Return Item Fee each time a payment is presented if the amount of money in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented. **This means that the same transaction might result in multiple NSF Return Item Fees if re-presented to us for payment. You authorize us to impose multiple fees as well as the same fees multiple times (such as multiple NSF Return Item Fees) in connection with a single transaction that has been returned or presented multiple times. This includes, for example, when an NSF Return Item Fee results from an electronic debit that is rejected or paid after being represented for payment against your account.** This policy regarding NSF Return Item Fees is subject to our “Daily maximum charge”.

**Daily maximum charge:** \$150.00, which equals five Overdraft Fees and/or NSF Return Item Fees per day per account.

## **Allowable Overdraft Options**

### **1. No Allowable Overdraft Program Coverage**

You can decline or opt out of our Allowable Overdraft Program at any time. If you decline or opt out, typically your transactions will be returned rather than paid. Subject to the “Force Pay Transactions” policy described below, if you have no Overdraft Program coverage, typically the following will happen:

- Your everyday ATM/debit card transactions will be declined rather than paid. We do not charge a fee for declining these transactions.
- Your checks, ACH transactions, recurring debit card transactions, and other transactions made using your checking account number will be returned rather than paid. Each time we return a check(s), ACH transaction(s), recurring debit card transaction(s) and other transactions made using your checking account number for insufficient funds, we charge a \$30.00 NSF Return Item Fee, up to the “Daily maximum charge.”

## 2. Basic Allowable Overdraft Program Coverage

Includes discretionary Allowable Overdraft Program coverage for these transactions only:

- Checks and other transactions made using your checking account number.
- Automated Clearing House (ACH) transactions, electronically converted checks, and electronic bill payments.
- Recurring debit card transactions.

For each transaction listed above that we pay, you will be charged a \$30.00 Overdraft Fee, up to the “Daily maximum charge” if the transaction overdraws your account. We do not charge a \$30.00 fee for individual transactions paid or returned that overdraw your account by \$10 or less. With this option, your everyday ATM/debit card transactions will be declined rather than paid. We do not charge a fee for declining these transactions. If you select this option, you can opt out of this service at any time and elect to have No Allowable Overdraft Program coverage. Basic Allowable Overdraft Program coverage is subject to the “Force Pay Transactions” policy, as explained below. We reserve the right to decline to pay any transaction that creates an overdraft. Each time we decline to pay a check, Automated Clearing House (ACH) transaction, recurring debit card transaction, or any other transaction using your account number due to insufficient funds in your account and instead we return the transaction, we charge a \$30.00 NSF Return Item Fee, up to the “Daily maximum charge.”

## 3. Enhanced Allowable Overdraft Program Coverage

Includes discretionary Overdraft Program coverage for these transactions:

- One-time debit card transactions, also known as point-of-sale (POS) transactions, such as a purchase you make at a merchant.
- ATM transactions.
- Recurring debit card transactions.
- Checks and other transactions made using your checking account number.
- Automated Clearing House (ACH) transactions, electronically converted checks, and electronic bill payments.

To obtain the Enhanced Allowable Overdraft Program coverage, you must first affirmatively opt in to this service by calling us at 603-542-7711, 1-800-992-0316 or completing the “What You Need to Know About Overdrafts and Overdraft Fees” provided to you at the time of new account opening or that can be found at [www.claremontsavings.bank](http://www.claremontsavings.bank) or any of our branches. You will be charged a \$30.00 Overdraft Fee for each transaction listed above that we pay which overdraws your account, up to the “Daily maximum charge.”, including recurring debit card transactions. We do not charge a \$30.00 fee for individual transactions paid or returned that create an overdraft of \$10 or less. If you select the Enhanced Allowable Overdraft Program, you can opt out of this service at any time. Opting out of this option will also mean you are opting out of the Basic Allowable Overdraft Program unless you tell us otherwise. Before you opt-in to Enhanced Allowable Overdraft Program coverage, you should read the document “What You Need to Know about Overdrafts and Overdraft Fees” and your “Account Information Brochure – Understanding and Avoiding Overdraft and Nonsufficient Funds (NSF) Fees”. You should keep a copy of these forms for your records.

We reserve the right to decline to pay any transaction into overdraft. Each time we decline to pay a check, Automated Clearing House (ACH) transaction, recurring debit card transaction, or any other transaction using your account number due to insufficient funds in your account and instead we return the transaction, we charge a \$30.00 NSF Return Item Fee, up to the “Daily maximum charge.”

**Force Pay Transactions.** There may be instances where we will pay a transaction even if you do not have sufficient funds in your account to cover the transaction and are not enrolled in our Allowable Overdraft Program. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. These transactions are preauthorized and create a hold on the funds but usually at a different amount than your actual purchase. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Under these circumstances, we will still pay (or “force pay”) the transaction and you will not be charged a fee.

**Available Balance.** For purposes of calculating your account balance under our Overdraft Program, we use the Available Balance method. Your Available Balance is the amount of funds available for withdrawal and authorizing transactions. Your Available Balance may be different than your personal register balance (sometimes called Ledger Balance). The Available Balance is reduced by 1) the amount of pending transactions, such as point-of-sale transactions; 2) funds on hold in accordance with our funds availability disclosure (generally titled, “Your Ability to Withdraw Funds”); 3) our receipt of notice that a transaction will be presented or returned; 4) our receipt of a legal process relating to your account; or 5) your use of your account as security for a loan.

**Deposit Account Agreement.** Our “Account Information Brochure” and “Fee Schedule”, which were provided to you at the time you opened your Claremont Savings Bank account, generally control the duties, obligations, and rights you and any authorized signers on the account have, as well as our duties, obligations, and rights regarding your checking account. However, this Overdraft Program Disclosure (and all amendments thereto) shall control if a conflict arises between any provision of this Overdraft Program Disclosure and the Account Information Brochure and Fee Schedule. We will provide you with additional copies of these documents upon your request.

**Order of Payment.** The order in which items are paid is important if there is not enough money in your account to pay all the items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items. Transactions will be “memo posted” as received. This means the memo balance (your funds that are available) in the account will be impacted as transactions are received. During the nightly update, transactions will “hard post” to your account based on the sequence below. This could be a different order than the transactions memo posted throughout the day.

The posting sequence will be 1. Deposits 2. Online, digital and telephone banking transfers, force posted by bank 3. ATM debits and Debit Card Point-of-Sale transactions based on time stamp 4. Debit Card Signature based on time stamp 5. Checks processed through a teller channel 6. ACH transfers and payments, smallest to largest 7. Checks (other than those processed through a teller channel) in check number order.

We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, please be aware that the order in which we pay transactions may create multiple overdrafts during a single banking day.

There is no particular order of payment that is favorable to you in every instance. There are advantages and disadvantages to any order of payment. In some cases, your more important transactions (which may be those with higher dollar amounts) may get paid later in this sequence or may not be paid at all depending upon your account balance and the available overdraft limit assigned to your account.

**Limitations.** Payment of an overdraft is discretionary on the part of the Bank. Our Allowable Overdraft Program option is not a line of credit. This option is a courtesy. We reserve the right to suspend, revoke, or discontinue this service at any time without prior notice. When you use our Allowable Overdraft Program, you agree that we will not be liable to you for any loss or damage based on a claim that you relied on us to pay any and all transactions which would overdraw your account. Except as otherwise required by law, you further agree to indemnify and hold us harmless from any such claims for loss or damage made by any other person.

**Automatic Alerts.** You can sign up for our automatic alerts through digital banking. If you sign up for automatic alerts, we will notify you based on your selections. Alerts are generated from the available balance on your account and may not include transactions in a pending status. Alerts may help you avoid an overdraft but are not intended to serve as a substitute for carefully monitoring your account balance and your transactions. You should not rely solely on an automatic alert to avoid an overdraft. Alerts may require enrollment in other Bank services, such as online or mobile banking. Additional terms apply. Message and data rates may apply.