

Overdrafts occur when you do not have enough money in your account to cover a transaction. Fees often apply when a transaction causes an account to become overdrawn, whether the transaction is paid or returned by the Bank. While overdraft fees aren't fun, they are avoidable. Please read this guide to have more peace of mind, a clearer understanding, and less overdraft fees on your account.

What is an overdraft fee?

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

1. We have a discretionary extended overdraft (EOD) privilege program that your account may be eligible for.
2. We also offer overdraft protection plans, such as a link to another account or a line of credit, which may be less costly than our standard overdraft practices.

What are the discretionary extended overdraft (EOD) privileges that are eligible for my account?

We will authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments (ACH) and recurring debit card transaction

We will not authorize and pay overdrafts for the following types of transactions without your consent:

- ATM transactions
- One-time debit card transactions

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined.

What fees will I be charged if Pathfinder Bank pays my overdraft?

Under our discretionary extended overdraft privileges:

- We will charge you a fee of up to \$17.00 each time we pay an overdraft.
- There is no limit on the total fees we can charge you for overdrawing your account.

What if I want Pathfinder Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you would like us to authorize and pay overdrafts on your ATM withdrawals, debit card transactions, or both, please stop into one of our branches to Opt-In for this type of EOD coverage.

What if I do not want Pathfinder Bank to pay overdrafts?

If you do not want us to authorize and pay overdrafts covered by our discretionary extended overdraft privileges that come with your account, you must decline Overdraft Coverage either by calling (315) 343-0057, visiting pathfinderbank.com, or stopping into your nearest branch.

If you decline overdraft coverage, items that would overdraft your account will generally be returned unpaid, and we will charge you a Nonsufficient Funds/Returned Item fee for each item. Additional merchant fees may apply.

What other overdraft protection plans are available to me?

You have the option to set up overdraft protection to link your checking account to another eligible Pathfinder Bank account, so you can use available funds to cover overdrafts.

You can link:

- A secondary Pathfinder Bank checking account
- A Pathfinder Bank savings account or money market deposit account
- A Pathfinder Bank line of credit
- A per-transfer fee may apply

How can I avoid an overdraft from happening in the future?

Keep track of the balance in your checking account.

Know your Available Balance before you make withdrawals, purchases, or payments. In addition to your own tracking (i.e., your checkbook register), Online Banking and Mobile Banking can provide your Account Balance and account activity. Remember to consider outstanding checks, debit card purchases, and scheduled payments that may have not yet been debited from your account's Available Balance. Some merchants don't post debit card transactions with the Bank for several days.

Set up email or text alerts¹ through Online Banking to notify you when your account balance is greater than or less than the limit you specify.

(1) There is no charge from Pathfinder Bank for mobile or text banking. However, you should review your mobile device plan for any fees that your service provider may charge.

Use Online Bill Pay to help ensure your bills are paid on time and when you know there will be enough money in your account. To help make sure you never have a late or missed payment, sign up for Payment Reminder alerts in Online Banking.

Set up direct deposit.

If your job offers direct deposit, have your paycheck automatically deposited in your account to get faster access to funds on payday and ensure your money is available when you need it. However, be careful not to record your deposit until it's officially posted into your account.

Pay with cash or use your debit card.

When you don't make payments with a check, you don't have to worry about when the payment will clear. Many people forget that they've written checks, and then end up spending the money that should have been sitting in the account for the check to clear.

Call or come see us.

Our customer service representatives can tailor a plan that fits your needs. If you would like to discuss overdraft options or check your balance, please call us at (315) 343-0057 or visit your local branch.

Bank policies and practices regarding overdraft concepts

Funds Availability

Our general policy is to make \$300 of the funds from your deposit available to you immediately and the remainder of the funds available to you on the 2nd business day following your deposit. Once funds have been released, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturday, Sunday or federal holidays. If you need funds from the deposit right away, you should ask us when the funds will be available.

Hold Schedules

Same-Day Items – Cash, US Treasury Checks, wire transfers, electronic direct deposits (ACH items), US Postal money orders, FRB or FHLB checks, bank or teller checks, certified checks, certain payroll, pension, unemployment, disability, and workmen's compensation checks, state and local government checks, and checks drawn on Pathfinder Bank. All funds from these checks are made available immediately.

Non-same Day Items – All checks, excluding Same-Day. \$300 is available immediately, up to \$5,525 is available on the 2nd business day following the deposit, and the remainder is available on the 5th business day following the deposit.

Examples (no legal holiday in examples):

- Deposit of \$1,000 on Monday: \$300 available immediately and the remaining \$700 available on Wednesday.
- Deposit of \$6,000 on Monday: \$300 available immediately, \$5,225 available on Wednesday, the remaining \$175 available on Friday.

Available balance & account balance

Your **account balance** is the total amount of money that is currently in your account, including any pending transactions (e.g., debit card purchases that have not cleared).

Your **available balance** is the total amount of money in your account that you can use for purchases and withdrawals, as it excludes pending transactions and check holds from your account balance. However, your available balance may not reflect all your outstanding checks, bill payments, or other transactions that you have authorized but have not yet been paid (or pre-authorized) from the account.

Processing and Posting Order

- Pathfinder Bank posts credits first, then debits when received via ACH.
- Other items, such as ATM transactions and point of sale transactions when your PIN is used usually post as the transactions occur.
- Pinless transactions, such as debit card purchases that you perform as credit post to your account when we receive the transaction from the merchant and will post to your account anytime throughout the day.
- Checks and other written orders drawn on funds in your account will be charged against the account the same business day they are presented to the financial institution for payment.
- Checks and drafts received through the inclearing system will be posted to your account in the order that they are presented to the financial institution.

Transactions that can create an overdraft

Any item posted as a debit to your account can result in an overdraft. Debit transactions can include:

- Writing a check;
- Authorizing an automatic payment from the checking account to pay for recurring expenses such as utility bills, mortgage payments, gym memberships, etc.;
- Paying for purchases with a debit card*;
- Making withdrawals from an automated teller machine (ATM).

*Some merchants, especially gas stations, hotels and sometimes restaurants, will often preauthorize an amount that is higher or lower than the actual purchase amount.

For example:

Hotels: When using a debit card to make reservations in advance, hotels may preauthorize an amount depending on the length of your stay. This will result in a hold on your account up to 72 hours. The hotel can also place additional holds on your account once you arrive, to cover the cost of your stay and any possible incidental expenses.



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