

What is Overdraft Privilege?

Overdraft Privilege is a non-contractual courtesy that we provide to our checking account customers. You do not need to sign up for this privilege and it costs you nothing unless you use it. As long as you maintain your account in good standing, we will consider payment of your overdrafts up to the Overdraft Privilege limit on your account. Overdrafts may include the payment of checks, ACH debit transactions and transactions performed with your Visa® Debit Card including debit, ATM and point-of-sale transactions; bill payments and transfers initiated through online and mobile banking; transfers initiated through telephone banking; in person withdrawals and transfers and all other types of transactions that currently are honored through your account.

How could Overdraft Privilege benefit me?

- **Payment of check and ACH overdrafts as well as bill payments initiated through online and mobile banking** up to \$100 will be considered on Chelsea U Checking (if the primary account holder is age 18 or above), \$500 on Totally Free Checking, \$800 on other personal checking accounts and \$1,500 on business checking accounts.
- **Fewer charges from retailers for returned checks.**
- **Eliminates the embarrassment** associated with a returned check or other item.
- **Accessible for withdrawals** in our retail banking locations and for all transactions performed with our Visa® Debit Card including debit, ATM and point-of-sale transactions.

Why do we offer Overdraft Privilege?

There are times when unanticipated expenses or unforeseen problems can leave you short of funds in your checking account. Having a check or other item returned due to insufficient funds can be an uncomfortable and very embarrassing experience. In addition, service charges by the merchant for a returned check or other item can make this a costly experience. For these reasons, we are extending Overdraft Privilege to our eligible checking account customers.

Who is eligible for Overdraft Privilege?

Personal and business checking accounts are eligible for Overdraft Privilege except for limited exceptions. Upon account opening, all eligible checking accounts are provided with a courtesy Overdraft Privilege limit of \$100 and once the account has been open for at least sixty (60) days, we will consider the account for a standard Overdraft Privilege limit. In order to remain a participant in the Overdraft Privilege Program your checking account must be in good standing at all times. *Please see the Chelsea Groton Bank Overdraft Privilege Service Policy for details.*

How do I obtain Overdraft Privilege?

Overdraft Privilege requires no action on your part. You do not have to sign anything. If your account is eligible, you will automatically be provided with a courtesy Overdraft Privilege limit of \$100 when you open the account. After your account has been open for at least sixty (60) days, we will review the account to determine if a higher, standard Overdraft Privilege limit based on the type of account can be provided to you. If we do provide you with a higher limit, we will notify you by postal mail. **However, if your account is a personal checking account, we will not include ATM and everyday debit card transactions within Overdraft Privilege without first receiving your affirmative consent to do so.** Unless you have provided your affirmative consent, ATM and everyday debit card transactions generally will not be paid under Overdraft Privilege.

How much does my Overdraft Privilege Cost?

There is no maintenance or annual cost associated with providing Overdraft Privilege to you. However, you should keep in mind that you will be assessed our standard insufficient funds charge.

However, we do not assess interest on your outstanding Overdraft Privilege amount and we do not assess an insufficient funds charge when a service charge creates an overdraft in your account. In addition, for personal accounts, we do not assess an insufficient funds charge on items presented for payment of \$5.00 or less, we do not assess an insufficient funds charge on items that would create an overdraft balance of \$10.00 or less and we do not assess more than five (5) insufficient funds charges per business day.

What is my Overdraft Privilege limit?

When a personal or business checking account is established, if the account is eligible, we will automatically provide a courtesy Overdraft Privilege limit of \$100 and once the account has been open for at least sixty (60) days, we will consider the account for our standard Overdraft Privilege limits as set forth in this policy.

What types of transactions may draw upon my Overdraft Privilege limit?

- You write a check or initiate a bill payment or transfer of funds through online or mobile banking that exceeds the current or available balance in your account.
- You use your Visa® Debit Card to perform debit, ATM or point-of-sale transactions, initiate an electronic funds transfer in an amount that exceeds the current or available balance in your account.
- You make a withdrawal at any one of our retail banking locations in an amount that exceeds the current or available balance in your account.
- You perform any other type of transaction that is currently honored through your account.

How do I determine if I have used some or all of my Overdraft Privilege limit?

When you access the **current balance** of your checking account at an ATM or through online, mobile or telephone banking; if the current balance is positive, you have not used your Overdraft Privilege. If the current balance is negative, you have used your Overdraft Privilege to the extent of the negative balance.

When you access the **available balance** of your checking account at an ATM or through online, mobile or telephone banking; the available balance reflects the available balance in your checking account but does not include the amount of Overdraft Privilege available to you.

What if I go beyond my Overdraft Privilege limit?

Any overdraft above and beyond your Overdraft Privilege limit may result in checks or other items being returned unpaid. Whenever this occurs, we will send you an overdraft notice in the mail that will indicate whether the item was paid or returned. Please note that an insufficient funds charge will be assessed for each check or other item whether paid or returned.

How do I repay my Overdraft Privilege?

Each time that you access your Overdraft Privilege, we will send you an overdraft notice. Overdraft Privilege is not a separate account but simply creates a negative balance in your checking account up to your Overdraft Privilege limit. You repay your Overdraft Privilege amount by making deposits or transferring funds into your checking account. When you use Overdraft Privilege, please remember that the standard insufficient funds charge for each transaction will be deducted from your account and will therefore reduce your available Overdraft Privilege amount.

You should make every attempt to bring your account to a positive balance as quickly as possible. It is recommended that you bring your account to a positive balance within thirty (30) days. If you are not able to do so, your Overdraft Privilege may be withdrawn, limited or suspended and you will receive notification from us informing you of the situation and your options. If, after a period of time, your account has not been brought to a positive balance, we will have no option but to close your account and take other steps to recover the funds.

In addition to Overdraft Privilege, are there any other overdraft protection alternatives available?

An alternative service called "Deposit to Deposit Overdraft Protection" is available to automatically transfer funds from your statement savings or money market account to your checking account in order to pay checks or other items that are presented for payment without sufficient funds. At the end of the day, the total amount necessary to cover all items for the day is transferred to your checking account and a single overdraft protection service charge may be applicable to your savings or money market account. Overdraft Privilege will only be utilized once all of the available funds have been drawn from your designated deposit to deposit overdraft protection account. Also, through our Lending Department, we offer an overdraft line of credit for both personal and business accounts. "Deposit to Deposit Overdraft Protection" or an overdraft line of credit may be less expensive alternatives to Overdraft Privilege.

It is the policy of Chelsea Groton Bank ("we, us, or our") to comply with applicable laws, rules and regulations, and to conduct business in accordance with strict safety and soundness standards. An insufficient funds (negative) account balance may result from the payment of checks, electronic funds transfers, or other withdrawal requests you initiate; payments authorized by you; the return, unpaid, of items deposited by you; any of our applicable service charges or fees; as well as the deposit of items which according to our Funds Availability Policy, are not yet recognized as "available funds." We are not obligated to pay any item initiated for payment against your account if your account does not contain sufficient collected funds.

Rather than returning your insufficient funds items as unpaid, we will consider, without obligation on our part, approving reasonable overdrafts up to your assigned Overdraft Privilege limit if your eligible account is considered to be in good standing.

An account in good standing exhibits, but is not limited to, the following characteristics. The account has deposits totaling at least \$500 or more within each thirty (30) day period; the account demonstrates consistent deposit activity; the account owner is current on all loan obligations with us; the account is brought to a positive balance (not overdrawn) immediately or as soon as possible and at least once every thirty (30) days; the account owner has no legal right to defer payment of outstanding overdrafts including our fees; and the account owner is not the subject of any legal or administrative order or levy, such as bankruptcy or a tax lien.

Overdraft Privilege will generally be limited to a \$100 overdraft (negative) balance for Chelsea U Checking (if the primary account holder is age 18 or above), \$500 overdraft (negative) balance for Totally Free Checking, \$800 overdraft (negative) balance for other personal checking accounts or a \$1,500 overdraft (negative) balance for business checking accounts. Our standard fees and charges including, without limitation, our insufficient funds/overdraft charges will be included in these limits and will be assessed for each transaction presented for payment against insufficient funds. This charge will be assessed if we approve the item for payment or in the event that we return the item unpaid.

We may refuse to pay an overdraft for you at any time even though your account is in good standing and even though we may have previously paid overdrafts for you. You will be notified of any insufficient funds items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdrafts including our charges that you owe us shall be due and payable immediately. If there is an overdraft paid by us on an account with more than one (1) owner, each owner, and agent if applicable, drawing/presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts including our charges.

Deposit to Deposit Overdraft Protection Service: Deposit to Deposit Overdraft Protection may be available to automatically transfer funds from your statement savings or money market account to your checking account in order to pay checks or other items that are presented for payment without sufficient funds. If this service is available to you, you may save money by using this service instead of or in conjunction with our Overdraft Privilege Service.

Ineligible Accounts and Limitations: The Overdraft Privilege Service is available only for eligible checking accounts as determined by us, and that are maintained in good standing as previously defined. Public Fund/Charitable Organization Accounts, certain Trust Accounts, and Minor Accounts not of legal age are *not eligible* for this service. We may, in our

sole option and discretion, limit the number of your accounts eligible for the Overdraft Privilege Service to one account per household and/or one account per taxpayer identification number. In addition, if you apply and we approve you for a personal or business overdraft line of credit, we may in our sole option and discretion determine that you are ineligible for Overdraft Privilege and if you already participate in the Overdraft Privilege Service, we may withdraw, limit, or suspend your use of Overdraft Privilege.

Eligible Account Types: Personal and business checking account types are eligible for the Overdraft Privilege Service except for limited exceptions.

Eligible Transaction Types: Insufficient funds transactions initiated for payment against your checking account(s) may be approved/paid by us using, and up to, your assigned Overdraft Privilege limit, including our charges. The eligible transaction types will include, without limitation: Checks; bill payments and transfers initiated through online and mobile banking; transfers initiated through telephone banking; all transactions performed with our Visa® Debit Card including debit, ATM and point-of-sale transactions; ACH debit transactions; and withdrawals and transfers performed by you at any of our retail banking office locations.

You May Always "Opt-Out:": You may at any time, choose not to participate in the Overdraft Privilege Service by notifying a representative in our Customer Care Center at (860) 448-4200. Furthermore, you may revoke your affirmative consent to have ATM and everyday debit card transactions considered for payment under Overdraft Privilege without removing other items from the Service. Simply inform us of your preference.

Always a Discretionary Service: The Overdraft Privilege Service does not constitute an actual or implied agreement between you and us. Nor does it constitute an actual or implied obligation of or by us. This Service represents a purely discretionary courtesy or privilege that we may provide to you from time to time and which may be withdrawn/withheld/suspended by us at any time and without prior notice or reason or cause.

Reinstatement: If your Overdraft Privilege has been withdrawn or withheld by us, you may be reconsidered for reinstatement if you maintain your account in good standing for a subsequent period of at least thirty (30) days. In such case, we may in the normal course of business consider your account for reinstatement of Overdraft Privilege or you may contact our Customer Care Center at (860) 448-4200 to request that we consider your account for reinstatement. In either case, if we reinstate your Overdraft Privilege, we may provide you with an Overdraft Privilege limit that varies from the standard limit for that type of account. Whenever we reinstate your Overdraft Privilege, we will notify you of the reinstatement and the associated Overdraft Privilege limit in a timely manner by postal mail.

Transaction Clearing: Each evening, checks presented for payment through the clearing process are posted to your account from the smallest to the largest dollar amount. However, due to the various types of transactions, (ACH debit transactions, Visa® Debit Card transactions including debit, ATM and point-of-sale transactions, in person withdrawals, etc...) presented for payment against your account, transactions may not be processed/posted to your account in the order in which they occurred and as a result this can affect the total amount of insufficient funds charges incurred by you.

If You Need Help: Overdrafts should not be used to pay ordinary or routine expenses and you should not rely on overdraft as a means to cover these expenses. **If at any time you feel you need help with your financial obligations, please contact a representative in our Customer Care Center at (860) 448-4200.**