

Discretionary Overdraft Payments

Discretionary Overdraft Payments. We may pay overdrafts on your accounts at our discretion.

If you write a check or initiate another form of payment (other than an ATM or everyday debit card transaction) that will overdraw your account if paid, we will either (a) pay the overdraft, or (b) return the item or debit unpaid for nonsufficient funds (NSF). If we pay the overdraft we will charge you a fee, typically called an overdraft fee. If we return the item NSF, we will charge you a fee, typically called an NSF fee. We will pay overdrafts (or charge an overdraft fee) on ATM and everyday debit card transaction only if you opt-in to that overdraft service. We pay overdrafts at our discretion, which means we do not guarantee that we will always pay or authorize any type of transaction. The fact that we may pay one or more items creating overdrafts does not obligate us to do so in the future. So, you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstance we have paid overdrafts on your account in the past.

The Benefit to You of Discretionary Overdraft Payments. Discretionary overdraft payments may benefit you because it can protect your reputation, avoid default, avoid our NSF fee, and avoid the additional fee that often is charged by the payee when an item is returned NSF. Your reputation can be protected because, for example, the payee will not know that there were insufficient funds to cover the item, and there won't be a return NSF to report to a consumer reporting agency.

Responsible Use of Discretionary Overdraft Payments. We promote responsible use of discretionary overdraft payments. Overdraft fees can add up quickly, especially if multiple overdraft items clear the same day. Similarly, NSF fees can also add up quickly. Thus, we discourage the intentional and routine writing of checks or initiation of electronic fund transfers or other transaction that will overdraw your account if paid. Discretionary overdraft payments should be used only for occasional and inadvertent overdrafts and should not be relied on in the same manner as, for example, a line of credit.

Less Costly Alternatives. If more than occasional and inadvertent use of discretionary overdraft payment is anticipated, we believe you should consider less costly alternatives such as linked accounts or obtaining a line of credit to avoid overdrawing your account. Under a linked account, your checking account would be connected to another account, such as a savings account, so as to automatically transfer funds from the other account to the checking account as needed to avoid overdrafts. Under an overdraft line of credit, you would automatically borrow funds on the line of credit and have them transferred to your checking account as needed to avoid overdrafts. We encourage you to inquire about the alternatives we offer. A line of credit or a linked account can often be cheaper than overdraft fees.

Financial Education. We encourage Financial Responsibility and are available to help you with concerns about your account. For additional financial management information visit: www.mymoney.gov. We provide free online and telephone tools to help you manage.

Fees.

We charge a fee of \$32.00 each time we pay an overdraft.

If the account is overdrawn for more than 3 consecutive days, we charge a fee of up to \$6.00 (business days only) for each day your account is overdrawn after the 3rd day.

We charge a fee of \$32.00 each time we return an item for nonsufficient funds (NSF)

The maximum number of overdraft fees that we can assess is limited to 6 per day.

We do not charge a fee if total overdrawn balance is \$4.99 or less.

We do not charge a fee if the item that overdraws your account is 4.99 or less.

Categories of Transactions. The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, recurring debit card transaction, or other electronic means. We will not pay ATM and everyday debit card transactions at our discretion unless you opt-in.

Your account may qualify for Overdraft Privilege in 30 days if your account does not incur any overdrafts, you make a monthly required minimum aggregated deposit amount of \$300.00, you are not in default on any loan obligation to Peoples Bank, and your account is not the subject to any legal or administrative order or levy.

A Temporary Debit Authorization Hold Affects Your Account Balance. On debit card purchase, merchants may request a temporary hold on your account for specified sum of money, which may be more than the actual amount of your 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 may be up to three days before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transaction will be reduced by the amount of the temporary hold. If another transaction is presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, that transaction will be a nonsufficient funds (NSF) transaction if we do not pay it or an overdraft transaction if we do pay it. You will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

Here is an example of how this can occur-assume for this example the following: (1) you have opted-in to our overdraft services for the payment of overdrafts on ATM and everyday debit card transactions, (2) we pay the overdraft, and (3) our overdraft fee is \$32 per overdraft, but we do not charge the overdraft fee if the transaction overdraw the account by less than \$5.

You have \$120 in your account. You swipe your card at the card reader on a gasoline pump. Since it is unclear what the final bill will be, the gas station's processing system immediately request a hold on your account in a specified amount, for example, \$80. Our processing system authorize the temporary hold on your account in the amount of \$80, and the gas station's processing system authorizes you to begin pumping gas. You fill your tank and the amount of gasoline your purchased is only \$50. Our processing system shows that you have \$40 in your account available for other transactions ($\$120 - \$80 = \$40$) even though you would have \$70 in your account available for other transaction if the amount of the temporary hold was equal to the amount of your purchase ($\$120 - \$50 = \$70$). Later, another transaction you have authorized is presented for payment from your account in the amount of \$60 (this could be a check you have written, another debit card transaction, an ACH debit or any other kind of payment request). This other transaction is presented before the amount of the temporary hold is adjusted to the amount of your purchase (remember, it may take up to three days for the adjustment to be made). Because the amount of this other transaction is greater than the amount our processing system shows is available in your account, our payment of this transaction will result in an overdraft transaction. Because the transaction overdraws your account by \$20, your account will be assessed the overdraft fee of \$32 according to our overdraft fee policy. You will be charged this \$32 fee according to our policy even though you would have had enough money in your to cover the \$60 transaction if your account had only been debited the amount of your purchase rather than the amount of the temporary hold or if the temporary hold had already been adjusted to the actual amount of your purchase.

Cut off time is 2:00 pm for all Debit and ATM card transactions (debit AND credits). Transactions received after this time will post to your account the next business day. Be advised that overdraft charges could still be incurred if credit transaction are received after 2 PM.

Processing of Transactions. The order in which we process payments may not be the order in which the transaction occurred. The order in which items are received and processed by us can affect the total amount of the overdraft fees that you are charged.

Payment Order of Items. The order in which items are paid is important if there is not enough money in your account to pay all of 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. We encourage you to make careful records and practice good account management. This will help you to avoid crating items without sufficient funds and potentially incurring the resulting fees.

Our Policy is to process Cash withdrawals first lowest to highest, On Us checks second-in numerical sequence, ATM transactions third- lowest to highest, Recurring Debit transaction fourth-lowest to highest, Debit card transactions fifth-lowest to highest. We process checks and orders drawn on your account sixth- in numerical sequence. We process Automatic Funds transfers (AFT) transactions seventh-lowest to highest. We process ACH transactions eighth-lowest to highest.

Dollar Limit. If we set a dollar limit for the total amount that your account can be overdrawn at one time. Overdraft fees (as well as the amounts of the overdraft items) will apply toward that limit, reducing the amount available under that limit. Even if we set a dollar limit. We are not required to pay overdrafts up to the limit. The payment of ANY overdraft is completely at our discretion.

FDIC Insurance. This institution is a Member of the federal Deposit Insurance Corporation.