

OVERDRAFT PRIVILEGE

Overview

At times, unanticipated expenses or unforeseen problems can leave you with too little cash in your checking account. Having a check returned or debit card declined due to Non-Sufficient Funds (NSF), can be a costly, inconvenient, and potentially embarrassing experience.

At Newtown Savings Bank we do not encourage overdrafts, we encourage you to manage your finances responsibly. However, we want to save you from additional merchant fees and possible damage to your credit history that might result if an item is returned. That's why we provide our Overdraft Privilege service, a special service offered to Newtown Savings Bank personal checking customers.

What is Overdraft Privilege?

Overdraft Privilege is a discretionary overdraft service that provides you a safety net up to an automatically assigned overdraft limit. Your Overdraft Privilege limit may be available for checks and other transactions made using your checking account number or automatic bill payment and recurring debit card payment.

QUESTIONS & ANSWERS

How do I know when I use the overdraft limit?

You'll receive an overdraft notice in the mail each time items are paid. The notice will show the check number (if any), amount and the \$37.00 paid item fee. You'll need to subtract the total fees when balancing your checkbook.

If I have two checking accounts, can I get Overdraft Privilege on both?

Flagship accounts have a \$1,500.00 limit; Free and Student Checking* accounts have a \$500.00 limit. If you have multiple accounts, you may have a separate limit on each eligible account.

What if I go beyond my Overdraft Privilege limit?

Overdrafts above your established Overdraft Privilege limit may result in item(s) being returned. A \$37.00 Insufficient Funds Fee - Returned fee will be charged per item and assessed to your account. An overdraft notice will be sent to notify you of items returned.

*The Basic Overdraft Privilege service which covers checks and other debit transactions; automatic bill payments and recurring debit card payments is not automatically provided with this account type and is not an option if the primary account holder is under age 18. However, account holders 18 years or older may elect to add the Basic Overdraft Privilege service to a Student Account and may opt-in for our Extended Coverage - Overdraft Privilege Plus which allows Newtown Savings Bank to authorize and pay overdrafts on ATM withdrawals and everyday debit card transactions.

What if I overdraw many times in one day?

We will not assess more than 4 Insufficient Funds Fee - Paid or Insufficient Funds Fee - Returned fees in one day, even if there are 5 or more overdraft items.

What if I overdraw by a small amount?

We will not assess a \$37.00 Insufficient Funds Fee - Paid fee if the total overdrafts for the day result in an ending account balance of no more than \$10.00 overdrawn.

How quickly must I repay my Overdraft Privilege?

You should make every attempt to bring your account to a positive end-of-day balance as soon as possible and must do so within 30 calendar days. If you are not able to do so, you will receive a letter from Newtown Savings Bank informing you that your Overdraft Privilege limit has been suspended, and additional items will be returned unpaid. Unless we advise you differently or you request this service be removed from your account, your limit will be made available to cover overdrafts again after you bring your account to a positive end-of-day balance.

What does my Overdraft Privilege cost?

There is no cost associated with this service unless you use it. You will only be charged a \$37.00 Insufficient Funds Fee - Paid or Insufficient Funds Fee - Returned fee for each overdrawn item, even if we do not pay the item.

For example, two paid items plus one unpaid item in one day will result in \$74.00 in Insufficient Funds Fee - Paid fees plus one \$37.00 Insufficient Funds Fee - Returned fee. To help you manage your account, the total fees you have paid for items (both paid and returned) during the current month and year-to-date will be reflected on your monthly checking statement.

What is Overdraft Privilege Plus?

If you opt-in, Overdraft Privilege Plus may cover your ATM withdrawals and one-time Debit Card purchases.*

WAYS TO ACCESS OVERDRAFT PRIVILEGE

Is my Overdraft Privilege available?		
Access Points	Basic Service	Plus Service
Writing a check	Yes	Yes
Debit Card one-time purchase	No*	Yes
Debit Card recurring transaction	Yes	Yes
ATM withdrawal	No*	Yes
ACH Auto Debit	Yes	Yes
Telephone Banking	No	No
Mobile/Online Banking	Yes	Yes
In Branch Withdrawals	Yes	Yes

*You can opt-in for Overdraft Privilege Plus at any branch or by calling 203.426.2563.

How soon can I use my overdraft privilege?

Once a new account has been open 30 days and there has been \$500.00 in aggregate deposits made into the account, Overdraft Privilege will be activated as long as the account is not in an overdrawn status. If it takes longer than 30 days to reach the aggregate deposit total, Overdraft Privilege will be activated once the \$500.00 is reached.

An Overdraft Privilege welcome letter will be sent once the service is activated.

What are some other ways I can cover overdrafts at Newtown Savings Bank?

The best way to avoid overdrafts and fees is to manage your account so you don’t overdraw it. For alternatives to Overdraft Privilege, please visit any branch or call our Customer Service Center at 203.426.2563.

What if I do not want to have Overdraft Privilege and/or Plus on my checking account?

Your use of the service is optional. If you would like to have this service removed from your account, please call 203.426.2563.

What if I am having trouble repaying my Overdraft Privilege or use it frequently?

Please contact us at 203.426.2563 if: (1) you do not believe you will be able to bring your account to a positive end-of-day balance within the required time period; (2) find that you are using Overdraft Privilege more often than you intend; or (3) don’t understand why your account becomes overdrawn. We would like to discuss your situation with you. Following regulatory guidance, you will receive a letter if you are paying multiple Insufficient Funds Fee - Paid or Insufficient Funds Fee - Returned fees, (more than six fees in a rolling 12-month period).

OVERDRAFT PRIVILEGE / OVERDRAFT PRIVILEGE PLUS DISCLOSURE

An insufficient balance can result from several events, such as (1) the payment of checks, electronic funds transfers, or other withdrawal requests; (2) payments authorized by you; (3) the return of unpaid items deposited by you; (4) Bank service charges; or (5) the deposit of an item which, according to the Bank’s Funds Availability Policy, is treated as not yet available or finally paid. For customers with Overdraft Privilege Plus, an insufficient balance can also occur from the use of your debit card or by conducting an ATM transaction. We are not obligated to pay any item presented for payment if your account does not contain sufficient funds.

As long as you maintain your account in “good standing”, we may approve your overdraft items within your current Overdraft Privilege limit as a non-contractual courtesy. For Overdraft Privilege consideration, your account is in “good standing” if you (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all Bank fees and charges) and (2) avoid excessive overdrafts suggesting the use of Overdraft Privilege as a continuing line of credit.

Posting Order (the order in which items presented for payment against your account are paid). We pay some items when the transaction occurs (see Priority Group 1 below). Other items presented for payment against your Account are posted at the end of each Business Day in serial number order (if available), then from the smallest to the largest amount within the posting group priority order. The posting group priority order is:

- Priority Group 1 - Checks cashed in our branches, ATM transactions, Debit Card purchases made with your PIN, real time debits (e.g., P2P transfers) and funds transfers between your Newtown Savings Bank Accounts. These transactions will post to your account throughout the day as activity occurs. If there are not sufficient funds available in your account to cover the transaction when it occurs, an Insufficient Funds Fee may be charged immediately.
- Priority Group 2 - Automatic Clearing House (ACH) debits (which may include checks converted to an electronic format and Preauthorized Transfers).
- Priority Group 3 - Inclearing Checks

You may opt out of the privilege at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft plus the Bank’s fees will be deducted from the overdraft limit.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in “good standing” as defined above, or if based upon our review of your account management, we determine that you are using Overdraft Privilege excessively or seem to be using it as a regular line of credit. You will be charged our \$37.00 Insufficient Funds Fee - Returned fee for each returned item.

You will be notified of any non-sufficient funds items paid or returned that you may have; however, we have no obligation to notify you before we pay or return an item. The amount of any overdraft, including our \$37.00 Insufficient Funds Fee - Paid or Insufficient Funds Fee - Returned fee that you owe us, shall be due and payable upon demand, but if no demand is made, no later than 30 calendar days after the creation of the overdraft. If there is an overdraft on an account with more than one owner on the signature card, each owner and agent, if applicable, shall be jointly and severally liable for all overdrafts and fees.

We will not assess the \$37.00 Insufficient Funds Fee - Paid or Insufficient Funds Fee - Returned fee on more than 4 transactions in a business day. We will not assess the \$37.00 Insufficient Funds Fee - Paid or Insufficient Funds Fee - Returned fee if the total overdrafts for the day results in an ending account balance no more than \$10.00 overdrawn.

Overdraft Privilege should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register and managing your finances responsibly. If you would like to have this service removed from your account, please call 203.426.2563.

You may access your Overdraft Privilege Plus service from an ATM machine. For ATMs that the Bank owns, you will be notified that you are going to be charged an overdraft fee if you proceed with the transaction. For ATMs that we do not own, you may not be notified that you are accessing your Overdraft Privilege Plus service and that if you proceed with the transaction, you may be charged a fee.

LIMITATIONS: Overdraft Privilege and Overdraft Privilege Plus is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or household use. Newtown Savings Bank reserves the right to limit participation to one account per household and to suspend, revoke or discontinue this service without prior notice.