



OVERDRAFT PRIVILEGE



**Newtown
Savings Bank**

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. As always, we encourage you to manage your finances responsibly. However, we want to save you from additional merchant fees and the 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's personal checking customers.

WHAT IS OVERDRAFT PRIVILEGE?

Overdraft Privilege is a discretionary overdraft service requiring no action on your part 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.

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- ▶ Also, at your request, Newtown Savings Bank provides Overdraft Privilege Plus where we authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your limit.
- ▶ We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. However, as long as you maintain your account in “good standing”, we may approve your overdraft item within your current available 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); (2) avoid excessive overdrafts suggesting the use of Overdraft Privilege as a continuing line of credit; and (3) there are no legal orders, levies or liens against your account.
- ▶ A \$37.00 paid/return item fee will be deducted from your overdraft limit and charged to your account for each item up to a maximum of 4 fees per day. No interest will be charged on the overdraft balance.

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.

What is my Overdraft Privilege limit? If I have two checking accounts, can I get Overdraft Privilege on both?

Flagship and Interest Checking accounts have a \$1,500 limit; all other consumer checking accounts have a \$500 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 return item fee will be charged per item and assessed to your account. An overdraft notice will be sent to notify you of items paid and/or returned.

What if I overdraw many items in one day?

We will not assess more than 4 paid/return item fees in one day, even if there are 5 or more overdraft items.

What if I overdraw by a small amount?

If the total overdrafts for the day results in an ending account balance no more than \$10 overdrawn, we will not assess a \$37.00 paid item fee.

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 additional cost associated with this service unless you use it. You will be charged a \$37.00 paid/return item 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 paid item fees plus one \$37.00 return item 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.*

What are some of the ways I can access my Overdraft Privilege limit?

The chart below shows the different ways you can access your Overdraft Privilege limit.

	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
Teller	Yes	Yes

* You can opt-in for Overdraft Privilege Plus at any branch or by calling 800.461.0672 or 203.426.2563.

How soon can I use my Overdraft Privilege?

If you are a new account holder and meet certain minimum account requirements, you may be able to use the Overdraft Privilege the next business day after the account is opened.

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. As an alternative to Overdraft Privilege, subject to credit approval, overdrafts may be covered with an overdraft line of credit. Please visit any branch or call our Customer Service Center at 800.461.0672 or 203.426.2563 for additional information about an overdraft line of credit.

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

If you would like to have this service removed from your account, please call 800.461.0672 or 203.426.2563.

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

Please contact us at 800.461.0672 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, your account statement will provide information if you are paying multiple paid return item fees, (more than six fees in a rolling 12 month period).

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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); (2) avoid excessive overdrafts suggesting the use of Overdraft Privilege as a continuing line of credit; and (3) there are no legal orders, levies or liens against your account.

We pay items by Priority Group then within Priority Group first by serial number (low to high), in absence of a serial number by amount (low to high). The Priority Groups are: (1) Checks cashed at Newtown Savings Bank, ATM transactions, Point of Sale (POS) including debit card purchases, and transfers between Newtown Savings Bank accounts. (2) Automatic Clearing House (ACH) debits, which may include checks converted to ACH transactions. (3) All other checks. 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 of item payment may create multiple items during a single banking day for which you'll be charged our \$37.00 paid item fee for each overdraft item.

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 return item fee for each 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 paid/return item 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 paid/return item fee on more than 4 transactions in a business day. We will not assess the \$37.00 paid/return item fee if the total overdrafts for the day results in an ending account balance no more than \$10 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 800.461.0672.

Please note that your Overdraft Privilege limit may be reflected in the available balance provided by a teller and Online Banking. It will not be reflected in your balance provided by our Telephone Banking System and at the ATM.

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.



203.426.256 3 | 800.461.0672

NSBonline.com

Member FDIC

Overdraft (04/17)

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