

## Overdraft Privilege (A discretionary overdraft service)



**COLONIAL FEDERAL  
SAVINGS BANK**

*"Your neighborhood bank!"*

### SERVICE DOCUMENT

A non-sufficient funds (overdraft/negative) or uncollected balance may result from: A) The payment of checks, electronic funds transfers, or other withdrawal requests you initiate; B) Payments authorized by you; C) The return, unpaid, of items deposited by you; D) The imposition of applicable service charges and fees; or E) The deposit of items which according to the Bank's Funds Availability Policy, are treated as not yet "available" or "finally paid".

**We are not obligated to pay any item presented for payment if your account does not contain sufficient collected funds.**

**Rather than automatically returning, unpaid, any non-sufficient funds or uncollected items that you may have**, if your eligible account has been open for at least thirty (30) days and thereafter you maintain your account in good standing, which includes at least: (A) Depositing at least \$400 or more in your account within the first thirty (30) day period of our review and continuing to make deposits consistent with your past practices, and, (B) You are not in default on any loan obligation to us, and (C) Your account is not the subject of any legal or administrative order or levy, such as bankruptcy or a tax lien, **we will consider, without obligation on our part, approving your reasonable overdrafts up to your assigned ODP limit, including our fees.** *(We reserve the right to require you to pay your outstanding overdraft (negative) balance, including our fees, immediately or on demand.)*

Overdraft Privilege is not a line of credit but a **discretionary service**. This service will generally be limited to a \$400 overdraft (negative) balance for Free Checking accounts, and a \$700 overdraft (negative) balance for other eligible checking accounts.

Our normal fees and charges including, without limitation, our non-sufficient funds / overdraft fees, are currently \$35.00 per item, as set forth in our schedule of fees. The fee will be charged for each transaction including, but not limited to payments authorized by check, in person, ACH, electronic, ATM/Debit MasterCard, Online Banking and Telephone Banking transactions, initiated for payment from your eligible account that does not have sufficient collected funds. Transactions are posted to your account in the order in which they are received.

**Typically, we will charge our normal NSF / Overdraft fee whether we approve an overdraft item for payment or return it unpaid.** Unless an item is designated as re-presented for payment, each subsequent re-presentation of the original unpaid item will also incur a fee if funds are still insufficient at the time of re-presentation. This will result in the assessment of multiple fees in connection with a single transaction.

**Our NSF / Overdraft fees will be included in, and count against your assigned ODP limit of \$700 (\$400 on Free Checking accounts).**

Whether your overdrafts will be paid or not is at our sole discretion and we reserve the right not to pay. For example, we may not pay overdrafts if your account is not in good standing, or you have too many overdrafts. **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 periodically paid overdrafts for you.** You will be notified by mail of any non-sufficient or uncollected 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 plus our Non-Sufficient Funds and/or Overdraft (NSF/OD) Charge(s) that you owe us shall be due and payable upon demand.** If there is an overdraft paid by us on an account with more than one (1) owner on the signature card, each owner, and agent if applicable, drawing/presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts including our Non-Sufficient Funds and/or Overdraft (NSF/OD) fee(s).

- **Optional Overdraft Protection Service:**

We offer an additional overdraft protection service that you may apply for, which is an Overdraft Protection transfer from another account of yours within the Bank. If you apply for this optional service, you may save money on the total fees you pay us for overdraft protection services.

- **Ineligible Accounts and Limitations:**

Available only for eligible checking accounts that are maintained in good standing as defined above, primarily used for personal and household purposes. All large Commercial Accounts, all Savings Type Accounts, all Money Market Accounts, all Public Fund / Charitable Organization Accounts and Student Minor Accounts are not eligible for this service. We *may* limit the number of accounts eligible for ODP to one account per household.

- **Eligible Account Types:** The account types that are eligible for ODP are: Free Checking and NOW Checking account types.

- **Transactions That May Cause or Create Overdrafts Using Your ODP Limit:**

NSF/Uncollected transactions initiated for payment against your account may be paid by us using your assigned ODP limit, including our fees. Our NSF/Overdraft fee may be imposed for paying or not paying overdrafts you create by checks, in person (teller), by withdrawal, ATM withdrawal, or other electronic means.

- **You May Always Opt-Out:** You may choose at any time to not participate in ODP by notifying one of our Customer Service Representatives, who will explain the “opt-out” process to you, and what the potential consequences of opting out will be for you.

- **If You Need Help:** Of course, overdrafts should not be used to pay ordinary or routine expenses and you should not rely on overdrafts as a means to cover these expenses. **If at any time you feel that you need help with your financial obligations**, please contact one of our Customer Representatives at 617-471-0750.

- **Always a Discretionary Service:** Our ODP 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 the Bank may provide to you from time to time and which may be withdrawn by us anytime without prior notice or reason or cause.

### Overdraft Privilege (ODP) Can Mean

- ✓ You may avoid high charges from merchants or returned checks.
- ✓ You may avoid the embarrassment and inconvenience of denied purchases and dishonored checks.
- ✓ Payment of your occasional and inadvertent overdrafts up to your assigned **ODP** Limit of \$700 (\$400 for Free Checking Accounts) will normally be considered. These limits include our customary fees (non-sufficient funds / uncollected funds and/or overdraft fees, as set forth in our fees schedule). Our fees will be added to any outstanding overdrafts you may have and will be applied against your **ODP** Limit.

We are not promising to pay your overdrafts, not all accounts are eligible, and some restrictions do apply.

You do not have to apply for this service. It is already a part of your Checking Account agreements with us. This service allows us to pay overdrafts for checks, automatic bill payments and other transactions made using your checking account number. We do not pay overdrafts for ATM and everyday debit card transactions unless you opt-in and complete an additional authorization for us to pay such transactions. With some exceptions, most of our checking account types are eligible for this service. See “Ineligible Accounts;” “Eligible Account Type”; and Transactions that May cause or create Overdrafts using your **ODP** Limit in the **ODP** Service Brochure.

If you do **not** use the **ODP** Service, it costs you **NOTHING**. “Use” means you initiate insufficient funds transactions. If you **do** use the **ODP** Service you **WILL** be charged our customary fees set forth in our fees schedule.

If you have questions concerning the **ODP** Service please contact a Customer Service Representative at (617)-471-0750.

## **What You Need to Know about Overdrafts and Overdraft Fees**

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 standard overdraft practices that come with your account.
2. We also offer overdraft protection plans, such as a link to a savings account, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our standard overdraft practices.

➤ **What are the standard overdraft practices that come with my account?**

*If your account qualifies for this service (as detailed in our Overdraft Privilege Policy Brochure)*

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

- Checks and other transactions made using your checking account number
- Automatic bill payments

We do not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- ATM transactions
- Everyday 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 Colonial Federal Savings Bank pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee of up to **\$35** each time we pay an overdraft.
- There is a \$140.00 per day limit on the total fees we can charge you for overdrawing your account.

➤ **What if I want Colonial Federal Savings Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions?**

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, complete the form below and return it to any of our branches.

You may also call us at 617-471-0750 to give us your authorization over the phone.

**\*\*\*YOU MAY CHOOSE TO OPT OUT OF THIS SERVICE AT ANY TIME SIMPLY BY NOTIFYING US\*\*\***

☐ I do not want to enroll in *Overdraft Privilege*.

☐ I do not want Colonial Federal Savings Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

☐ I want Colonial Federal Savings Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions, as well as checks, automatic bill payments and other transactions made using my account number.

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Account No: \_\_\_\_\_