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OVERDRAFT PRIVILEGE SERVICE POLICY

Effective May 9, 2012

PeoplesBank (“we, us or our”) offers Overdraft Privilege Service. If your account qualifies for Overdraft Privilege Service, we will consider, without obligation on our part, paying items for which your account has been overdrawn, instead of automatically returning those items unpaid. This document explains how Overdraft Privilege Service operates.

Transactions that May Qualify for Overdraft Privilege Service

An overdraft occurs when you do not have enough money in your account to cover a transaction. Although there are many reasons why your account might become overdrawn, most overdrafts result from the following:

- a) You write a check, swipe your debit card or initiate an electronic funds transfer in an amount that exceeds the amount of funds available in your account;
- b) You deposit a check or other item into your account and the item is returned unpaid, which causes a negative balance in your account once your balance is reduced by the amount of the returned check;
- c) You have inadequate funds in your account when we assess a service charge; or
- d) You initiate a transaction before funds deposited into your account are “available” or “finally paid” according to our Funds Availability Policy. For example, if you deposit a check into your account, the proceeds of that check may not be available to you for up to five days after you deposit the check. If you do not have sufficient funds in your account— independent of the check—to cover the transaction, you will incur an overdraft.

The Overdraft Privilege Service applies to a variety of transactions, including checks and other transactions made using your checking account number, automatic bill payments, ATM transactions and everyday debit card transactions; however, we will not include ATM and everyday debit card transactions within our Overdraft Privilege Service without first receiving your affirmative consent to do so. Absent your affirmative consent, ATM and everyday debit card transactions generally will not be paid under Overdraft Privilege Service.

Participation in Overdraft Privilege Service is not mandatory. You may opt-out of the service at any time by notifying one of our customer service representatives. Furthermore, you may revoke your affirmative consent to have ATM and everyday debit card transactions considered for payment under Overdraft Privilege Service without removing other items from the service. Simply inform us of your preference.

As noted above, we retain full discretion to decline to pay any item under the Overdraft Privilege Service Program. This means we can refuse to pay any overdraft for any reason. Even if we decide to pay an overdraft item, absent an agreement to the contrary, such payment does not create any duty to pay future overdrafts. If we do not authorize and pay an overdraft, your transaction will be declined and we may assess an Overdraft Fee-Paid or Overdraft Fee-Returned on your account in accordance with your account agreement and the service charge schedule in effect at the time of the overdraft.

Service Charges

For each overdraft we pay, we will charge the standard per item Overdraft Fee-Returned or Overdraft Fee-Paid set forth in our service charge schedule (\$32.00). We will notify you by mail if we pay or return any overdrawn items on your account; however, we have no obligation to notify you before we pay or return any item. The amount of any overdrafts, including our service charges, are due and payable immediately or on demand.

Accounts Eligible for Overdraft Privilege Service

Overdraft Privilege Service is a discretionary service and is generally limited up to a \$1000 overdraft (negative) balance for eligible personal and business checking accounts. Please note that the per item Overdraft Fee-Paid or Overdraft Fee-Returned count toward your Overdraft Privilege Service Limit. We may at our sole discretion limit the number of accounts eligible for Overdraft Privilege Service to one account per household or per taxpayer identification number. Further, Overdraft Privilege Service is usually extended only to accounts in good standing. An account in good standing exhibits, but is not limited to, the following characteristics:

- a) The account has been open for at least thirty (30) days;
- b) The account has deposits totaling at least \$400 or more within each thirty (30) day period;
- c) The account demonstrates consistent deposit activity;
- d) The account owner is current on all loan obligations with us; and
- e) The account is not subject to any legal or administrative order or levy, such as bankruptcy or tax lien.

We offer another overdraft protection service in addition to Overdraft Privilege Service. This includes an Overdraft Line of Credit. If you apply and are approved for this optional service, you may save money on the total service charges you pay us for overdraft protection services.

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 you need help with your financial obligations, please contact one of our customer service representatives at 413.538.9500.