



## IMPORTANT INFORMATION FROM HEARTHSIDE BANK ABOUT OVERDRAFTS AND MANAGING YOUR DEPOSIT ACCOUNTS

### OVERDRAFTS: HOW THEY OCCUR AND WHAT HAPPENS

#### What is an overdraft?

An overdraft occurs when a debit transaction (or multiple transactions) posted against a deposit account exceeds the account balance. This can happen in several ways:

- Writing a check;
- Authorizing an automatic payment from the checking account to pay for recurring expenses such as utility bills, mortgage payments, gym memberships, etc.;
- Paying for purchases with a debit card;
- Making withdrawals from an automated teller machine (ATM) or in person.

#### What happens when an overdraft occurs?

Any item posted as a debit to your account can result in an overdraft, and all such items are treated the same with regard to the actions described in this document. In other words, overdraft actions and charges do not apply only to paper checks but to all debit transactions.

We may, at our discretion, honor transactions that overdraw your account, or we may decide to return the items, also called insufficient funds (NSF) items, to the payee. In either case, you will be charged an **insufficient funds fee for each item**. Even if we do decide to pay an overdraft item, we are not obligated to pay overdrafts that occur at a later date. **The payment of overdrafts is never guaranteed.**

Regardless of our decision to pay or return the overdraft item, you will receive a notice that the overdraft occurred, how the item(s) was (were) handled, the amount of the fee you were charged, and your account balance.

Current fee charged for paid or returned item is \$35.00.

If our final decision on the item(s) caused your account to become overdrawn, you should make a deposit as soon as possible to bring your account to a positive balance.

When a personal account has been opened 30 calendar days and the "good standing" criteria, described below, is met, we will consider approving a reasonable ODP limit based on the account average balance during the first 30-day period. This limit may vary from \$100 - \$1,000. For business accounts opened 30 days and meeting the "good standing" criteria, we will consider approving an ODP limit may vary from \$700 - \$1,500. Of course, any and all fees and charges, including without limitation the insufficient funds fees (as set forth in our fee schedules and deposit account agreement and disclosure) will be included as part of this maximum amount.

"Good standing" means:

- a) You make regular deposits into the account,
- b) You bring your account to a positive balance (not overdrawn/negative) immediately, or as soon as possible within a thirty (30) day period,
- c) You are not in default on any loan obligation to The Bank, and
- d) Your account is not the subject of any legal or administrative order or levy, such as bankruptcy or a tax lien.

The total of the discretionary overdraft privilege (negative) balance, including any and all fees and charges, including all insufficient funds fees is due and payable upon demand. The Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Deposit Account Agreement and Disclosure with a maximum repayment period of 30 days before possible loss of Overdraft protection.

Again, while Hearthside Bank will have the discretion to pay overdrafts on accounts in good standing (as described above) any such payment is a discretionary courtesy, and not a right of the customer or an obligation of Hearthside Bank. Hearthside Bank in its sole and absolute discretion can cease paying overdrafts at any time without prior notice of reason or cause.

If your account balance remains negative, we will send you a notice every fifteen days. If your account balance remains negative for 45 days, we may close the account and turn the account over to a collection agency, and you will be reported to ChexSystems, a consumer reporting agency. These actions may disrupt your ability to obtain a deposit account at another financial institution, and they may damage your credit rating.

## **MONITORING YOUR USAGE OF OVERDRAFT SERVICES**

### **Balance Inquiries and Account Reconciliation:**

When you check your account balance, there may be outstanding items that have not yet posted due to processing delays which occur in the ordinary course of business. If you do not reconcile your account balance on a periodic basis and have a good understanding of the approximate balance you should have, you may inadvertently overdraw your account if you rely solely on balance inquiries from the ATM or a bank teller. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or making other payments without sufficient funds and incurring the resulting fees.

### **Email Alerts:**

You can sign up through our online banking services to receive emails that alert you to your daily account balance or when your account reaches a threshold balance which you determine at the time you enroll in the service.

### **Overdraft Monitoring by Hearthside Bank:**

You may receive a notification if you have overdrawn your account on more than six occasions where a fee is charged in a rolling twelve-month period. We will continue monitoring your overdraft usage and will send you a notification each time you exceed six overdraft occasions where a fee is charged in a rolling twelve-month period. If you do not wish to continue receiving these notifications, you can request to opt-out by contacting Hearthside Bank.

### **Statement Disclosures:**

If you have incurred insufficient funds fee, the fees are highlighted in a separate and distinct disclosure on your periodic account statements. The total fees for the statement cycle as well as the current year-to-date are included in this disclosure.

## **ALTERNATIVES TO HELP YOU MANAGE YOUR ACCOUNT MORE EFFECTIVELY**

### **Your Overdraft Options:**

You have the right to opt-in to overdraft services for ATM withdrawals and one-time debit card purchases. Under this program, if you do not opt-in to overdraft services, we will not pay overdrafts caused by ATM withdrawals or one-time debit card purchases, and we will not charge you for those items. This means your ATM withdrawals and one-time debit cards transactions will be rejected if you do not have enough money in your account to cover the transaction amount.

We also allow you to opt out of overdraft services for all other types of transactions. If you choose this opt-out option, we will never pay any transactions that overdraw your account. However, we will still charge you as described in this document for NSF transactions, other than ATM withdrawals and one-time debit card purchases.

**Less Costly Options:**

In addition to the overdraft programs, we also offer another option which can be less costly than insufficient funds fee: Linked Savings Account – A Hearthside Bank savings account is linked to your checking account. When you overdraw your checking account, we automatically transfer money from your savings account to cover the overdraft, subject to the savings account balance.

**Financial Education and Counseling:**

If you are facing financial challenges and unable to manage your account effectively, you may want to consider accessing free or low-cost financial education workshops or individualized financial counseling. Visit the Federal Trade Commission's website for more information at <http://www.consumer.ftc.gov/articles/0153-choosing-credit-counselor>. You may also want to contact the National Foundation for Credit Counseling at 800-388-2227.

**OPTIONS FOR MANAGING YOUR USE OF OVERDRAFT SERVICES**

To discuss these other options regarding your deposit account management, call our Customer Service Center at 800-354-0182 during business hours or come in to any one of our branch locations.

To opt-in to our Overdraft Privilege Program for ATM withdrawals and one-time debit card purchases, [click here](#).