

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 plan(s), 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 plan(s).

This notice explains our standard overdraft practices.

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

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 Ulster Savings Bank pays my overdraft?**

Under our standard overdraft practices:

- We will charge you a fee up to **\$30.00** each time we pay an overdraft with the maximum of 4 fees to be levied per day.
- Also, commencing on the 6th day and each subsequent consecutive calendar day your account is overdrawn, we will charge an additional \$5.00 per day.
- There is no limit on the total fees we can charge you for overdrawing your account.

➤ **What if I want Ulster 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, call 1-866-440-0391, visit www.ulstersavings.com, or complete the form below and present it at any branch. You can also mail it to: **Ulster Savings Bank, Customer Service Center - Opt In, PO Box 3337, Kingston, NY 12402**

-----Detach Here-----

_____ I want Ulster Savings Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions for the following accounts:

Print Name: _____

Date: _____

Account Number(s): _____, _____, _____

ODP OVERDRAFT PRIVILEGE SERVICE

Ulster Savings Bank (“we, us or our”) offers the ODP Overdraft Privilege Service. If your account qualifies for ODP, we will consider, without obligation on our part, paying items for which your account has insufficient or unavailable funds, instead of automatically returning those items unpaid. This document explains how ODP operates.

TRANSACTIONS THAT MAY QUALIFY FOR ODP

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 fee or 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. (Please refer to Funds Availability Policy.) If you do not have sufficient funds in your account—independent of the check—to cover the transaction, you will incur an overdraft.

The ODP 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. On consumer accounts we will not include ATM and everyday debit card transactions within our ODP 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 ODP.

Participation in ODP is not mandatory. You may opt-out of the service any time by notifying one of our Customer Service Representatives. On consumer accounts you may revoke your affirmative consent to have ATM and everyday debit card transactions considered for payment under ODP 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 ODP 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 the payment of an overdraft, your transaction will be declined and we may assess fees on your account in accordance with your account agreement and the fee schedule in effect at the time of the overdraft.

FEES

Ulster Savings Bank will not charge an overdraft fee if the overdraft results in the consumer account being less than \$30.00 in the negative. The maximum number of overdraft charges to be levied per day will be 4.

For each overdraft we pay and the account balance after paying the overdraft is not less than \$30.00 in the negative, we will charge the standard per item overdraft fee set forth in our fee schedule (currently \$30.00). In addition, we will charge your account a \$5.00 per day “continuous overdraft fee.” Typically, we will begin charging daily the continuous overdraft fee on the sixth calendar day your account is overdrawn by \$30.00 or more and will continue to charge the

daily continuous overdraft fee for each subsequent consecutive calendar day your account remains \$30.00 or more overdrawn; there is otherwise no limit on the total amount of daily continuous overdraft fees for each subsequent consecutive calendar day your account remains overdrawn. We will notify you by mail if we pay or return any insufficient or unavailable funds items on your account; however, we have no obligation to notify you before we pay or return any item. The amounts of any overdrafts, including our fees, are due and payable immediately or on demand.

ACCOUNTS ELIGIBLE FOR ODP

ODP is a discretionary service and is generally limited to an \$800 overdraft (negative) balance for eligible personal checking accounts. Please note that per item and per day overdraft fees count toward your ODP Limit. We may in our sole discretion limit the number of accounts eligible for ODP to one account per household or per taxpayer identification number. Further, ODP 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.

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. (We also offer an overdraft protection plan(s), such as a linked savings account which may be less expensive than our standard overdraft practices.) If at any time you feel you need help with your financial obligations, please contact one of our Customer Service Representatives at 1-866-440-0391.

OVERDRAFT PRIVILEGE CAN MEAN...

At any time, you may request us to withdraw your consumer account from overdraft privileges. This is often called "opting-out". Your opt-out request applies to all transactions - everyday debit card purchases and ATM withdrawals if you previously opted-in, checks and other withdrawals, transfers and payments. Even if you opt out, your consumer account may experience a negative balance due to the imposition of fees other than overdraft fees.

Here are some common examples of how opting-out can affect your transactions.

- You want to use your debit card for a purchase or to make an ATM withdrawal; however, at the time you initiate the transaction, you do not have enough available funds in your account. In this case, we do not authorize the transaction; we decline it.
 - You have written a check for payment; however, at the time we receive your check, you do not have enough available funds in your account. In this case, we return the check unpaid and charge you an NSF: returned item fee.
 - You have pre authorized electronic payments from your checking account, such as your insurance premium, mortgage payment or utility payment. However, at the time of a pre authorized payment, you do not have enough available funds in your checking account. In this case, we decline the transaction and charge you an NSF: returned item fee.

ULSTER SAVINGS BANK COMMITMENT TO FINANCIAL COUNSELING

Information for customers about how to access free or low-cost financial education workshops or individualized counseling to learn how to more effectively manage personal finances is available at the Federal Trade Commission's (FTC) Choosing a Credit Counselor website

<http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre26.shtm>

If you have any questions concerning our Overdraft Privilege Service, please contact a Customer Service Representative at (866) 440-0391.