

## Overdraft Options

### Overdraft Privilege

Overdraft Privilege may be available on your account in accordance with the Bank's Discretionary Overdraft Privilege Policy. Should you inadvertently overdraw your account, the Bank has the option to cover your overdrafts up to a certain amount, less the insufficient funds fee(s). The Overdraft Privilege service is not a line of credit and you may choose to opt-out at any time. Overdraft Privilege does not include ATM and one-time debit card transactions unless you instruct us to include them by opting-in.

*Alternative overdraft options that may be less expensive:*

### Line of Credit

When your account is overdrawn, a line of credit automatically advances funds to cover checks, or other items you have authorized, up to the amount of your available credit line. The credit line is a loan which requires application, is subject to credit approval and accrues interest on your outstanding balance..

### Savings Overdraft Protection Sweep

This service links your checking and savings account and automatically transfers money to your checking account at the end of each business day to cover your total overdraft amount plus a transfer fee.

## How to Avoid Insufficient Funds Fees

Whether you have overdraft privilege or not, overdrawing your account results in a charge. While you may not have enough funds to pay for purchases or withdrawals from time to time, repeatedly paying insufficient funds fees may not be the most cost effective way to manage your account.

### Avoid incurring insufficient funds fees by:

- ✓ Monitoring your account balance and activity by using Online, Mobile and Telephone Banking.
- ✓ Setting up alerts that notify you when your balance has reached a predetermined amount.
- ✓ Linking your checking account to a credit line or savings account that is able to sweep funds to cover purchases.

## Credit Counseling

If you're concerned about your debt or are having difficulty establishing your budget, you may want to consider credit counseling. The Federal Trade Commission provides helpful information and a way to locate local, approved agencies.

Visit [consumer.ftc.gov](http://consumer.ftc.gov) to learn more.

## Credit Scoring

Your credit score is something that begins calculating in early adulthood. An algorithm is used to generate a score based on several factors including your payment history, amount of debt, length of credit history, new credit, and credit mix.

According to [credit.com](http://credit.com), the following are approximate credit score categories:

<b>Excellent</b>	760-850
<b>Very good</b>	720-760
<b>Average</b>	680-720
<b>Fair-poor</b>	620-680
<b>Poor</b>	below 620

It's a good idea to periodically review your credit score and report. You may obtain a free credit report once per year at [annualcreditreport.com](http://annualcreditreport.com).

You may also find information about credit scoring from the following credit bureaus: **Transunion®** | **Equifax®** | **Experian®**

# MONEY MANAGEMENT TIPS

Discover ways to save, track spending, reduce fees, establish a budget and more.

## We're here to help you.

[farmingtonbankct.com](http://farmingtonbankct.com)

Local branch office

Toll-free 877-376-2265



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## Monitor and Manage Your Account

Money management doesn't come naturally to everyone. Modern tools, apps and services help make it easy to monitor and manage your account from virtually anywhere.

### Account Register

Record transactions including deposits, withdrawals, purchases and fees. Be sure to include descriptions such as check numbers and dollar amounts. By using this method, you'll know exactly how much money is available in your account at all times.

### Online Banking

Manage your accounts 24/7 from virtually any location. Check balances, transfer money and even set up alerts when your account balance gets low. Visit [farmingtonbankct.com](http://farmingtonbankct.com) and follow the prompts to establish your User ID and Password.

### Mobile App

Check your balance, transfer funds, deposit checks, and turn your debit card off if you think it's lost or has been stolen. Visit your App store to download the Farmington Bank Mobile App.

### Telephone Banking

Access your account information 24/7 from a touchtone phone. Call toll-free 800-845-2308 to check balances, monitor deposits and withdrawals, transfer funds between linked accounts and more.

### Personal Bankers

Call our Customer Support Center at 877-376-2265 or visit your local branch office to discuss your account balance and transaction history. Our friendly staff is happy to go over your account statement, explain how to balance your account, and help you set up any of these services.

*Helpful Hint! The available account balance shown through these services does not include transactions that haven't cleared.*

## Balance Your Account

Spending a few minutes each week or even every day can help keep your account and other finances on track. Whether you use a paper and pen, an electronic account register or an app on your smartphone, be sure it's readily available.

- 1. Obtain and record your current balance** using one of the services listed above.
- 2. Record all transactions** (including deposits, withdrawals, debit card purchases, fees, and more) and label each with specifics such as check number, store name, and dollar amount.
- 3. Review your monthly statement** and compare it to your recorded transactions. You can do this more frequently by reviewing your transactions in Online, Mobile or Telephone Banking. If you missed any transactions, write them down in your records. Be sure to notify the Bank if you notice any unfamiliar transactions.

## Establish Your Monthly Budget

Sticking to a budget starts with understanding exactly how much money is coming in and how much (and where) money is going out. Establish your household budget by recording income and expenses. Budgeting templates are available for download online or in programs such as Excel.

Once you have set a budget, you may want to create new spending habits, start setting money aside, or establish other financial goals.

## Debit versus Credit Cards

Debit and credit cards may look similar, but knowing the difference can help you make smart decisions when making purchases. Below is a chart to help you decide which card to choose when reaching into your wallet.

	Debit Card	Credit Card
How does it work?	Money comes out of your checking account immediately.	Borrow money that you will pay back later.
Interest charges	None.	Monthly interest charged on your outstanding balance.
Fees	You may be charged fees for using another bank's ATM.  You will be charged fees if you overdraw your account.	You may incur late fees and/or annual fees depending on your credit card agreement.
Other benefits	Withdraw money at an ATM or get cash back when you make a purchase.	Many offer rewards such as cash back.
Other things to consider	Does not build credit history.  Your purchase may be declined if you try to spend more than you have in your account.  Some retailers place a temporary hold on funds in your account if the PIN is not used. Those funds are unavailable to you until the transaction is processed.	Builds credit history.  Your purchase may be declined if you spend more than your available credit limit or if you have payments that are past due.

## Savings Tips

### Trim that Bill

- Host pot luck meals at home with friends and family instead of going out to eat.
- Use clipped or digital coupons when shopping and take advantage of sales.
- Stick to a shopping list to avoid costly impulse purchases.
- Swap cable television for video apps and streaming services that have lower monthly fees.
- Grow your own produce to cut costs on your grocery bill.
- Turn off lights, use energy-efficient appliances and install a programmable thermostat.
- Brew coffee at home and you'll have an extra \$60 at the end of the month.
- Pack a lunch every day and save an average of \$100 each month.

### Shopping Tips

- Make homemade gifts such as baked goods, crochet or knitted items, craft projects and more.
- Comparison shop to get the best price and ask retailers about price matching.
- Determine if items are needs or wants before making a purchase.

### Long-Term Savings

- Review your mortgage interest rate with a Home Loan Specialist to see if refinancing will lower your monthly payment.
- Consider setting up recurring automatic deposits into a savings account.
- Save money on transportation with a fuel-efficient car and proper tire pressure. Use public transportation or carpool.