
Your Guide to Understanding Overdrafts and Overdraft Protection



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Equal Housing Lender

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An overdraft occurs when you don't have enough money in your account to cover a transaction you initiated, but we pay it anyway. Anyone can make a mistake and accidentally overdraw their account. It can be as simple as a calculation error when balancing your checkbook or forgetting to write down an ATM withdrawal. We have tools to help you keep track of your account balance; however we have the following available should you need it:

1. Overdraft Privilege (ODP) Program
2. Overdraft Protection

Overdraft Privilege is made available on your account in accordance with our Discretionary Overdraft Privilege Policy. Should you inadvertently overdraw your account, we have the option to cover your overdrafts up to a certain amount less the overdraft fee(s). The Overdraft Privilege service is not a line of credit. You may choose to opt-out of this service at any time.

Please be aware that Overdraft Privilege does not include ATM and one-time debit card transactions unless you instruct us to include them by opting in.

What are the Bank's business practices when determining which overdrafts to pay?

Our standard business practice of processing overdrafts includes paying an item or items presented against your account even when you have insufficient funds to cover them up to **\$750**. This means that we generally authorize and pay overdrafts for the following:

- Checks and other transactions, including checks that have been converted to an electronic transaction by the payee
- Automatic bill payments, including Automated Clearing House (ACH) withdrawals
- ATM and one-time debit card transactions including point of sale transactions (if you have opted-in)

In what order are items processed?

The order in which items are paid is important if there is not enough money in your account to pay all of the

items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay.

Our policy is to process Automated Clearing House entries and all other items presented to us first - in the order in which they are received for the day on which they are processed. We process In-Clearing Items second - numerically by check number for the day on which they are processed.

What does an overdraft cost?

Should an overdraft occur, your account will be charged a standard **\$35.00** Insufficient Funds (NSF) fee for each item paid by the Overdraft Privilege Service (up to a maximum of 5 per day), if your account balance is **overdrawn by more than \$5.00**. This is the same fee that Farmington Bank charges per item when there is not enough in your account to cover it, and it is returned.

How do I opt-in to include ATM and one-time debit card transactions?

Opt-in by visiting any Farmington Bank branch or contacting our Call Center at 877-376-2265. If you're currently opted in and wish to be removed from the program, you can opt-out at any time.

Please note that if you're not opted in, Farmington Bank will not authorize and pay overdrafts on your ATM and one-time debit card transactions. They will be declined and no fee will be charged.

How do I opt-out of the Overdraft Privilege (ODP) Program completely?

You may opt-out of having ATM and one-time debit card transactions covered, or you may opt-out of the program completely at any time. Simply visit your local Farmington Bank branch or call 877-376-2265.

We also offer two forms of overdraft protection which may be a less expensive alternative to standard Overdraft Privilege.

Cashmate Line of Credit

When your account is overdrawn, the Cashmate line of credit automatically advances funds in increments of \$50 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 and approval. You will be charged interest based on the amount of the line advanced to your checking account as well as an annual fee for the Cashmate service.

Savings Overdraft Protection Sweep

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

To learn more or apply, visit your local Farmington Bank branch or call 877-376-2265.

The best way to avoid overdraft fees is to closely monitor your account activity. Here are a few tips to avoid unwanted overdraft fees:

▪ Review Your Account Statement

In addition to regularly balancing your checkbook, you should carefully review your statement. We provide a useful balancing tool on the reverse side of your printed statement for your convenience.

▪ Use Online Banking and our Mobile App

We offer free electronic monitoring tools such as Online Banking and our Mobile App which are available to you 24/7. You can also set up email alerts for your account which may be set to notify you when your account goes below a certain level. Visit farmingtonbankct.com to enroll for Online Banking or your respective App store to download the Farmington Bank Mobile App.

▪ Use Telephone Banking

TeleBanking, our free telephone banking service, can be used to check balances, and monitor deposits and withdrawals 24/7 from your touch-tone phone. ¡Hablamos Español! Call toll-free at 800-845-2308.

Visit www.consumer.ftc.gov for information from the Federal Trade Commission about credit counseling and to locate approved credit counseling agencies for our state.