

# Discretionary Overdraft Service Terms and Conditions



STRENGTH. SERVICE. COMMUNITY.

Winchester Savings Bank's ("we, us, or our") Discretionary Overdraft Service (the "Service") is subject to these terms and conditions, which explain how the Service works. The documents entitled "Understanding Your Deposit Account" for consumer accounts and "All About Your Business Accounts" for business accounts (the "Deposit Account Agreement") provided to you at the time you opened your deposit account with us (as amended, from time to time) controls the duties, obligations and rights of you and us with regard to your deposit account. The applicable Deposit Account Agreement (and all amendments thereto) and its terms shall control any conflict between any provision of this Discretionary Overdraft Service Terms and Conditions and the Deposit Account Agreement. A copy of the applicable Deposit Account Agreement is available to you upon request.

**Overdrafts.** An "overdraft" occurs when the amount of an Item (as defined below) that is presented to us for payment from your account exceeds the "available balance" in your account and we accept or pay the item or transaction anyway. Your "available balance" may be different than the actual or current balance in your account, which means an overdraft could occur regardless of your account's actual or current balance and an overdraft may or may not result in a negative balance in your account.

**Your "Available Balance".** Your "available balance" is determined based on the money actually on deposit in your account that we can use to pay Items presented to us for payment from your account, which means that it does not include funds in your account that are being held by us to satisfy your prior obligation (for example, to cover a hold on an ATM, debit card and other electronic transaction that has been authorized by us but not yet settled, or "holds" placed on deposits that are not yet cleared and available for withdrawal in accordance with applicable funds availability rules under Regulation CC (12 CFR Part 229). The amount of each hold will be for the amount authorized, or as permitted under applicable payment network rules, and will reduce your available balance. Holds on authorized transactions will be removed prior to settlement, where required by applicable payment network rules. The types of items or transactions that can cause an overdraft in your account include, but are not necessarily limited to, checks, automated clearing house (ACH) transactions, online bill payments, debit and other electronic transactions, and ATM withdrawals (collectively, "Items"). The term "available balance" is more fully defined in the applicable Deposit Account Agreement, the terms of which are incorporated herein. Please review this document for more information about when overdrafts may occur.

**When We Will Pay an Overdraft.** Our payment of an overdraft is a discretionary courtesy and not a right of the customer or an obligation of the Bank. We generally will authorize and pay an Item except if it is an ATM or everyday (or one-time as opposed to recurring) debit card transaction, up to the overdraft limit that we place on your account, even if it causes an overdraft in your account, and if we do so, you agree to pay our standard overdraft or NSF fee for each Item that causes an overdraft or increases the amount by which your account is overdrawn. However, we are not obligated under any circumstances to pay any Item if an overdraft will result or if an already overdrawn account will become more overdrawn, and we do not guarantee that we will do so. We may, without prior notice, refuse for any reason to pay an Item that creates an overdraft in your account at any time and for any reason, even though your account may be in good standing and even though we may have previously paid such Items for you. This Service may be withdrawn by us at any time without prior notice or cause.

**You May Always Opt-Out.** Participation is not mandatory, and you may opt-out of this Service at any time by notifying us at (781) 729-2130.

**Special Rules for ATM and debit card transactions.** For consumer accounts, we generally will not authorize and pay ATM and everyday (one-time) debit card transactions (as opposed to recurring debit card transactions such as insurance payments or monthly membership fees) that create overdrafts without having previously received your affirmative consent to include these transactions in the Service. However, there are circumstances in which we are required to accept point of sale transactions even if they create an overdraft, and we will not charge you an overdraft fee in these circumstances if you have not given your consent to include these transactions in the Service. If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call (781) 729-2130 or visit one of our branches and complete an OPT-IN form. You may revoke your affirmative consent to have ATM and everyday debit card transactions included in the Service without excluding other items. Simply inform us of your preference.

**Eligibility for Discretionary Overdraft.** You are eligible for the Discretionary Overdraft Service if your account has been maintained in “good standing.” This means (i) bringing your account to a zero or positive balance within every rolling 30 day period for a minimum period of 24 hours, (ii) you are not in default on any loan obligation to us, and (iii) your account is not the subject of any legal or administrative order or levy, bankruptcy, or tax lien.

The checking account products that are eligible for the Discretionary Overdraft Service are: Completely Free Checking, Easy Interest Checking, Premier Interest Checking, 50+ Advantage Checking, Completely Free Business Checking, Business Interest Checking, and Commercial Checking. We may, in our sole option and discretion, limit the number of accounts eligible to one account per household and/or one account per taxpayer identification number.

Savings Accounts, Money Market Accounts, Public Funds, Charitable Organization Accounts, Estate Accounts, Certain Trust Accounts and Minor Accounts (not of legal age) are not eligible for Discretionary Overdraft Service.

**Overdraft Limit.** There is a \$1000 overdraft limit (including overdraft fees) for eligible personal and business checking account types. This means that we generally will not pay an Item if it would cause your account to be overdrawn by more than this limit, provided that you will continue to be responsible for repayment of the entire overdraft balance even if we pay an Item that causes your account to be overdrawn in excess of this limit. At our discretion, new accounts will be subject to lower overdraft limits. We also reserve the right to increase or reduce your limit at our discretion at any time, with or without notice to you.

You are liable to us for the full amount of any overdraft balance in your account at any time. We reserve the right to require you to pay your outstanding overdraft balance, including our fees, immediately on demand. Otherwise, your overdraft balance will be reduced as you make deposits into your account until your account balance is zero or positive. If there is an overdraft balance in an account with more than one (1) owner, all owners shall be jointly and severally liable for the full amount of the overdraft balance.

**Fees.** Our standard overdraft or insufficient funds (NSF) fees, as set forth in our Schedule of Service Charges, will be charged to your account for each Item paid from your account that creates an overdraft, as well as for any Item that we return or reject because there are not sufficient available funds in the account to pay the Item. Our NSF fees will be included in and count against your overdraft limit.

Merchants and third parties sometimes present multiple times Items that we may have previously returned unpaid and there is no limit on the number of times a merchant or third party may present an Item for payment. This means that multiple NSF fees may be assessed for the same Item if the sending bank, merchant, or third party requests that an Item be re-presented for payment and you still do not have the available funds to pay that Item. There is no limit on the number of attempts for re-presentation from a sending bank, merchant, or third party.

**Limitation of Fees.** We will limit the total fees we charge you for overdrawing your account in three ways:

- We will charge you no more than 4 NSF fees in a single day.
- We will not charge an NSF fee on any Item that is \$10.00 or less.
- We will not charge an NSF fee on any transaction that causes your account to be overdrawn by \$5.00 or less.

**Payment Order of Checks and Transactions.** We post Items in the order in which we received them. The order in which Items are received and processed may impact the total amount of fees incurred. Your Deposit Account Agreement includes more information on how we receive and process Items.

**Avoid Overdraft Fees.** You can avoid fees for overdrafts by making sure that you always maintain an available account balance sufficient to cover all of your transactions. We offer services that you can use to help you manage your account and avoid overdraft fees, such as online and mobile banking account alerts.

**Optional Overdraft Protection Services.** You may also apply for an Overdraft Protection Line-of-Credit or sign up for Automatic Account Transfer Overdraft Protection. You may save money on the total fees you pay us for overdraft protection services. If you have more than one type of protection, the Bank will use the type of protection in the following order: Automatic Account Transfer Overdraft Protection, Overdraft Line of Credit Protection, and then Discretionary Overdraft Service.

**If You Need Help.** Of course, 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 us at (781) 729-2130.