

# Peoples Bank

## Peoples Bank Overdraft Management Service

It's important for you to understand how overdrafts can occur and the steps you can take to try to avoid them. Peoples Bank's standard overdraft practice is called Overdraft Management Service, or OMS. OMS is an automated transaction decision engine that comes standard with your checking account(s). The OMS decision engine takes up to three business days to become effective on a new account.

You may elect not to participate in the Bank's OMS by making that request through any branch staff or by contacting our Call Center at 800-584-8859. Please allow up to three business days to process this request.

Any transaction attempting to post against accounts that are not participating in OMS will be returned as non-sufficient funds (NSF).

It is important to understand the fees associated with overdraft activity.

### **Overdrafts**

An overdraft occurs when a debit transaction is presented against your account for payment, your account lacks sufficient available funds to pay that item, and the Bank pays the item resulting in a negative account balance.



The payment of overdrafts is at the Bank's discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. The fact that we may have done so in the past does not obligate us to do it again. Customers that choose not to participate in OMS will have all transactions attempting to post against an account with insufficient funds returned as NSF.

### **Non-Sufficient Funds**

A debit transaction is considered non-sufficient funds (NSF) when it is presented for payment, your account lacks sufficient available funds to pay that item, and that transaction is returned unpaid.



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### **Types of Transactions**

There are many types of debit transactions that we may authorize and pay into overdraft. A debit transaction is any transaction that removes money from your account. The following is a list of some, but not all, debit transactions:

- Checks
- ACH
- Withdrawals
- ATM withdrawals<sup>1</sup>
- Bill payments
- Wire transfers
- Fees or service charges
- Everyday Debit Card purchases<sup>1</sup>

<sup>1</sup> We do not authorize and pay overdrafts for ATM transactions and everyday debit card transactions for consumers unless you ask us to. Consumers can reference the *Opt-In Disclosure* if you'd like those authorized and paid. This service is standard for non-personal accounts.

### **Account Balance**

The Bank uses *ledger balance minus holds* to determine whether funds are available in an account, and an overdraft fee may be assessed if funds are unavailable and the item is paid. The ledger balance is the balance in your account after all previous business day's activity has been posted. Holds are defined as any debit card holds, check holds or operational holds and will be subtracted from the ledger balance before items are posted according to the processing order listed on page 3.

The account balance you can see during the course of the day using tools such as our mobile banking app will show current day transactions in order to keep you well informed. While you can view these transactions, they are not made effective until they are posted according to the processing order which occurs during overnight processing after each business day. Business days are Mondays through Fridays, excluding Federal Holidays.

### **Holds Impact Your Available Balance**

Check Holds occur when, in accordance with the Bank's Expedited Funds Availability Policy, the availability of the funds from your check deposit has been delayed. The resulting hold means that all or a portion of that check is subtracted from your ledger balance until the hold is released.

Operational Holds occur when an extraordinary circumstance, such as fraud or a court order to freeze funds, occurs. The resulting hold means that the amount subject to the circumstance is subtracted from your ledger balance until released.

Debit Card Holds are also subtracted from your ledger balance. On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money, which may be more than the actual amount of your purchase. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it may be up to three business days before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold.

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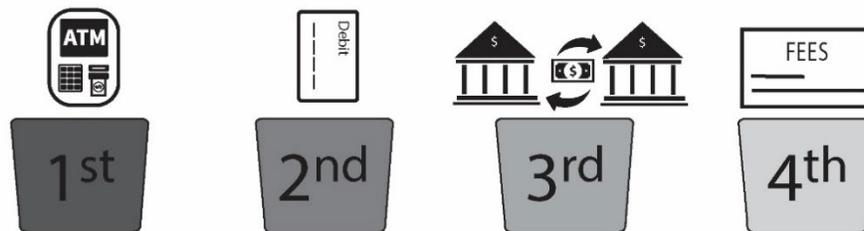
### **Fees**

When an item is presented for payment and your account does not have sufficient funds available to pay it, the result is either an NSF or overdraft. For items paid into overdraft the Bank may charge a fee for each occurrence.

- We will charge you **\$35** each time we pay an overdraft
- This fee is waived for items less than or equal to \$20 or if your available balance at the end of the business day is overdrawn \$20 or less
- Consumers could receive up to a limit of four \$35 fees per account and non-consumers could receive up to a limit of six \$35 fees per account in a business day
- There is no limit on the total fees we can charge you for overdrawing your account over time

### **Processing Order**

Transactions are not processed in the chronological order that they may have been authorized during the business day. During nightly processing they are reorganized by category. It is important to understand the processing order because it can impact the fees you pay.



All credit transactions will be processed before debits. Debits will be processed in ascending amount order (low to high) by category and each category will process in the following order:

Category 1	Cutoff Time <sup>2</sup>
In Branch Transactions Checks Negotiated in a Peoples Bank Branch ATM Transactions Transfers Person to Person Transactions	10:00 pm
Overdraft Fees from previous business day's transactions Deposit Return Items	n/a
Category 2	
Preauthorized Transactions	n/a
ACH	3:00 pm
Bill Payments	6:00 pm
Debit Card Transactions	10:00 pm
Category 3	
Checks Processed at other FI	n/a
Category 4	
Peoples Bank Fees or Service Charges	n/a

<sup>2</sup>All times are Pacific Standard Time. Daylight Savings Time applies when nationally in effect. Transactions that occur prior to the cutoff time will be processed on the same business day.

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### **Additional Methods to avoid NSF and Overdraft**

We have expanded our Overdraft Management Service to provide you with additional options to ensure you are covered. These are optional services and may result in additional fees or charges.

#### Linked Overdraft Protection Account

Link a Peoples Bank Savings, Money Market or other Peoples Bank checking account to your primary account to cover overdrafts. In the event your account is overdrawn, funds are transferred to cover the deficit. There is a \$5 Deficit Transfer Fee to transfer money and cover your overdraft which is only charged if the transfer is sufficient to cover the entire amount of your overdraft. Call or visit any branch to link your accounts.

#### Balance Alerts

Our online banking services offer multiple methods to monitor your balances, as well as send you alerts when your account reaches a target balance.

#### Express Line of Credit<sup>3</sup>

If you have an Express Line of Credit, we can transfer funds up to your available credit limit to cover overdrafts. An Express Line of Credit application is available at any branch location or online.

#### Home Equity Line of Credit<sup>3</sup>

Use your Home Equity Line of Credit and advance funds when needed using the equity in your house. A Home Equity Line of Credit application is available at any branch location or online.

#### Business Line of Credit<sup>3</sup>

If you are a Business with a Line of Credit, we can transfer funds up to your available credit limit to cover overdrafts. A Business Line of Credit application is available at any branch location.

<sup>3</sup>Lines of Credit are subject to credit approval and fees may apply. Line of credit advances to cover transactions and/or holds presented against non-sufficient funds may be full or partial depending upon the amount available. If you have established a custom transfer limit and/or if funds are not available to fully cover the overdraft, whatever funds are available (up to transfer limit if applicable) will be transferred and you will be responsible for interest charged on the advance and may be subject to related Overdraft Item Fees.

If you are enrolled in more than one of our overdraft services, we strive to use the method(s) that results in the lowest fees to you.

*For questions or assistance regarding overdrafts, overdraft fees and ways to avoid them please contact Peoples Bank Customer Service at 800-584-8859 or visit your nearest Peoples Bank branch location.*