



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 determine if you have enough money in your account to cover a transaction as follows:

Determining your available balance - We use the "available balance" method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your "available" balance may not be the same as your account's "actual" balance. This means an overdraft or an NSF transaction could occur regardless of your account's actual balance.

Your account's actual balance (sometimes called the ledger balance) only includes transactions that have settled up to that point in time, that is, transactions (deposits and payments) that have posted to your account. The actual balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your periodic statement is the ledger balance for your account as of the statement date.

As the name implies, your available balance is calculated based on the money "available" in your account to make payments. In other words, the available balance takes debit card transactions that have been authorized, but not yet settled, and adds or subtracts them from the actual balance. In addition, when calculating your available balance, any "holds" placed on deposits that have not yet cleared are also subtracted from the actual balance.

We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account.
2. We also offer one or more overdraft protection plans, such as a link to a savings or money market account or Overdraft Protection/Cash Reserve Line of Credit, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

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 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 Cornerstone Bank pays my overdraft?

Under our standard overdraft practices:

- We charge a fee of up to **\$30.00** each time we pay an overdraft.
- The maximum number of overdraft fees that we can assess is limited to 6 per day.
- If you overdraft your account by less than \$5.00 and/or overdraft your account with an item less than \$5.00 you will not be assessed the fee.

What if I want Cornerstone Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call 1-800-939-9103, visit www.cornerstonebank.com, complete the form below and mail it to PO Box 370, Southbridge, MA 01550-0370, or complete the form below and present it at any branch location.

_____ I want Cornerstone Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

_____ I do not want Cornerstone Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____

Date: _____

[Account Number]: _____ [Account Number]: _____

Signature: _____