



## Understanding Overdraft Fees

At Northeast Bank (the "Bank"), we want to make it easy for you to understand the Bank's checking account services and the fees that may apply to your account. Please review this disclosure carefully to learn more about our overdraft services and to help you avoid Paid Item Fees and Return Item Fees.

### **Overdraft Services for Your Checking Account**

Northeast Bank offers a Discretionary Overdraft Program for eligible checking accounts. We will consider paying debit transactions that exceed your account's ledger balance, instead of automatically declining those transactions or returning them unpaid. Each eligible account has a dynamic limit based on a set of rules that can adjust as frequently as daily. The rules that calculate the limit are based on the length of time the account is open, the average ledger balance, and the number of overdraft/non-sufficient funds (NSF) transactions in the prior 90 days. As the length of time the account is open increases and the average ledger balance increases or decreases, so does the overdraft limit. Each overdraft/NSF transaction in a 90-day period will lower the overdraft limit. If there are no overdrafts/NSF transactions in a 90 period, the limit will increase. When the limit is reduced to zero, or the limit is reached, transactions that would result in an overdraft /NSF may be returned unpaid and Returned Item fees will apply. The maximum limit for Consumers is \$500 and the maximum limit for Businesses is \$800. The daily adjustment of the limit and decision to pay an item within that limit is automated. The Discretionary Overdraft Program is a discretionary service; the Bank is not obligated to pay any item that exceeds your ledger balance and may cease paying overdrafts at any time without prior notice of reason or cause. Accounts that remain in overdraft status for more than 30 days may be removed from the Discretionary Overdraft Program.

**For our personal checking account customers:** Discretionary Overdraft Program coverage allows us to authorize and pay overdrafts for checks, other debit transactions made using your checking account number (e.g., ACH debit transactions), and automatic bill payments. We will not authorize and pay overdrafts for ATM or everyday debit card transactions for your personal checking account unless you have expressly requested (opted into) payment of these overdrafts. If you do not opt in, we will decline any ATM or everyday debit card transaction that exceeds your Available Balance.

**For our business checking customers:** Discretionary Overdraft Program coverage allows us to authorize and pay overdrafts for all transaction types.

Both personal and business checking account customers may decline (or cancel)

Discretionary Overdraft Program coverage at any time. Personal checking account customers may also revoke their consent to the Discretionary Overdraft Program for ATM and everyday debit card transactions without removing overdraft services for other transaction types. Visit a Northeast Bank branch, call 800-284-5989, or visit us online at [www.northeastbank.com](http://www.northeastbank.com) for more information.

### **What is an overdraft?**

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We use your Ledger Balance to determine whether you have enough money in your account to pay an item when it is presented for payment. If your Ledger Balance is insufficient to pay an item when it is processed and posted in the order set forth below, we may, in our sole discretion, pay the item (creating an overdraft) or return the item unpaid. If you overdraw your account, you must immediately pay all fees, overdrafts and other amounts you owe us. For further explanation of how we calculate your Ledger Balance, see the "Understanding Your Account Balance" section of your Deposit Account Terms and Conditions.

**Optional Overdraft Protection Service:** You may request to link your checking account to another of your Northeast Bank accounts to automatically transfer the amount needed to cover checks or other withdrawals that would overdraw your checking account. No fee will be charged for the transfer. Please note that you may still incur Paid Item or Return Item Fees if you exceed your checking account's balance and sufficient funds to cover the overdraft items are not available in your linked account.

### **When are fees charged?**

We may charge you a Paid Item Fee of \$30.00 if we pay an item that exceeds your Ledger Balance. We may charge you a Return Item Fee of \$30.00 if we return an item unpaid due to an insufficient Ledger Balance. You will receive a notice for every Paid Item Fee or Return Item Fee charged to your account. For a full explanation of the Bank's fees, please refer to the Bank's Schedule of Fees provided to you.

Please be aware that merchants and other third parties sometimes re-submit items that we return unpaid. Each re-submission constitutes a separate item. You agree that if any transaction is submitted for payment again after having previously been returned unpaid by us, a Paid Item Fee or Return Item Fee may be assessed each time the transaction is submitted for payment and your Ledger Balance is insufficient to pay the item.

We will not charge more than five (5) Paid Item Fees and/or Return Item Fees, in total, on any one business day. In addition, we will not charge a Paid Item Fee or Return Item Fee if your end-of-day Ledger Balance is overdrawn by \$10.00 or less. For personal accounts you will not be charged a Paid Item Fee for ATM withdrawals or everyday debit card transactions unless you have opted into Reg E Card

Services for ATM and debit card transactions.

For business accounts, if your account remains overdrawn for five consecutive business days, you will be charged a Recurring Overdraft Fee of \$5.00 on the fifth such day, and each business day thereafter, until you bring your account to a positive balance. For a full explanation of the Bank's fees, please refer to the Bank's Schedule of Fees provided to you.

**Processing and Posting of Items**

The order in which items are processed and posted to your account may affect the total amount of Paid Item Fees or Return Item Fees you may incur. When a debit transaction is "posted," it means the Bank has paid the item. Items are posted to your account at the end of each business day, as follows:

First, we add to your Ledger Balance deposits and credits. We then subtract from your Ledger Balance items presented to the Bank for payment against your account in categories by type of transaction in the following order: (i) ATM withdrawals; (ii) everyday debit card transactions; (iii) recurring debit card transactions; (IV) internal transfers; (V) withdrawals (non-check) processed within Northeast Bank branches; (VI) checks processed within Northeast Bank branches; (VII) ACH transactions; and (VIII) checks processed outside Northeast Bank branches. Within each category, we post items in low to high order by dollar amount. Finally, we subtract from your Ledger Balance non-transaction fees (such as a Stop Payment fee). Fees that are caused by a transaction, such as a Paid Item Fee or Return Item Fee, are processed and posted immediately after the transactions that caused the fee.

Avoiding Overdrafts and Fees

You can avoid fees for overdrafts by making sure you always maintain enough money in your account to cover all of your transactions. We encourage you to keep track of all your transactions, not just posted transactions, in order to avoid spending more money than you have in your account. The Current Balance and Available Balance we display to you in online banking, mobile banking, in teller receipts, and at the ATM, reflect posted transactions and debit transactions that the Bank has authorized but have not yet posted to your account (e.g., debit card purchases that you have made but the merchant has not submitted for payment). Your Available Balance is our most recent record of the amount of money available in your account for your use or withdrawal. You can actively monitor your account, check your Available Balance, and track your spending with these tools:

Sign up for low-balance alerts	Use our mobile app or log into <a href="https://northeastbank.com">northeastbank.com</a>
Call us at 800-284-5989	Use any Northeast Bank ATM

The Current Balance and Available Balance we disclose to you may not include all of your transactions, such as checks you have written that have not yet cleared or upcoming automatic payments. It is your responsibility to keep track of all of your transactions in order to avoid overdrafts and fees. See the "Understanding Your Account Balance" section of your Deposit Account Terms and Conditions for more information.



## OVERDRAFT DISCRETIONARY PROGRAM (ODP) CUSTOMER DECLINE

You may decline this service at any time.

You have no obligation to participate in our OVERDRAFT DISCRETIONARY PROGRAM (ODP).

If you do not use the service, it costs you nothing. Generally, it is less expensive for you if we honor your occasional overdrafts than if we deny or return your NSF items unpaid. If you do not want us to consider payment of your occasional overdrafts, it will be our normal practice to deny authorizing payment of any of these items for you, which may cause you additional expense, such as a fee from the merchant. Another way you may be able to avoid this is by setting up an automatic transfer from another account with us to cover your overdrafts. In some situations, it may not be possible to deny or return transactions you have previously authorized.

If you do not want the service, please sign, date, and return this form to us by mail or drop it off at one of our local banking centers. **If any party on a joint account declines this ODP service, the decline will apply to all parties on the joint account.** We will mark your account records to show that you do not want the service.

Even though we will mark your account records to indicate you do not want this service we cannot guarantee that we will never exercise our discretion to authorize or pay a transaction you have initiated and for which you do not have sufficient collected funds. Please allow three business days to process your request.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Customer Name

\_\_\_\_\_  
Joint Customer Name (if applicable)

Accounts Number (s):

\_\_\_\_\_

\_\_\_\_\_  
**Customer Signature**

\_\_\_\_\_  
**Joint Customer Signature (if applicable)**

