

## **COMMUNITY BANK OVERDRAFT PRIVILEGE POLICY**

It is the policy of Community Bank (“we, us, or our”) to comply with applicable laws and regulations, and to conduct business in accordance with strict safety and soundness standards.

A non-sufficient (overdraft/negative) funds balance may result from: A) The payment of checks, electronic funds transfers, or other withdrawal requests you initiate; B) Payments authorized by customer; C) The return, unpaid, of items deposited by customer; D) The imposition of bank service charges; or E) The deposit of items which according to the bank's Funds Availability Policy, are treated as not yet “available” or “finally paid”.

We are not obligated to pay any item initiated for payment if an account does not contain sufficient collected funds.

Rather than automatically returning, unpaid, any non-sufficient funds items that a customer may have, if customer’s eligible account (primarily used for personal and household purposes) has been open for at least thirty (30) days and thereafter customer maintains their account in good standing, which includes at least: (A) Continuing to make deposits consistent with past practices, and depositing at least \$300 or more in their account within each thirty (30) day period, (B) Customer is not in default on any loan obligation to COMMUNITY BANK, (C) Bring their account to a positive balance (not overdrawn) at least once every thirty (30) days, and (D) Account is not the subject of any legal or administrative order or levy, such as bankruptcy or a tax lien, we will consider, as a discretionary courtesy or service and not a right of customer nor an obligation on our part, approving customer’s reasonable overdrafts. This discretionary service will generally be limited to a \$300.00 overdraft (negative) balance for Free Checking accounts or a \$500 overdraft (negative) balance for other eligible Personal Checking accounts. Our normal fees and charges including, without limitation, our non-sufficient funds (NSF RTN ITEM FEE)/overdraft fees (OVERDRAFT ITEM FEE) (currently **\$29.00** per non-sufficient funds item) as set forth in our fee schedule will be included in these limits and will be charged for each transaction presented for payment against non-sufficient funds. We will charge our normal fee whether we approve the item for payment or not.

We may refuse to pay an overdraft for a customer at any time, even though customer’s account is in good standing and even though we may have previously paid overdrafts for said customer. We will notify customer by mail of any non-sufficient funds item paid or returned that they may have; however, we have no obligation to notify customer before we pay or return any item. The amount of any overdrafts including our fees that customer may owe us shall be due and payable immediately. If there is an overdraft paid by us on an account with more than one (1) owner on the signature card, each owner and agent if applicable, drawing and/or presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts plus our Non-Sufficient Funds (NSF) and or Overdraft (OD) Charges (s).

**INELIGIBLE ACCOUNTS AND LIMITATIONS:** Available only to eligible personal checking accounts that are maintained in good standing as defined above primarily used for personal and household purposes. Savings accounts, Business accounts, Money Market accounts, Public/Charitable Organization accounts, Certain Trust accounts, and Student/Minor accounts and other Minor accounts not of legal age are not eligible for this service. We may in our sole option and discretion, limit the number of accounts eligible for the Overdraft Privilege to one (1) per household and/or one (1) account per taxpayer identification number.

**ELIGIBLE ACCOUNT TYPES:** The account types that are eligible for the ODP service are Personal/Regular checking; Free checking; NOW checking; Advantage 50 checking; Advantage 50 Plus checking; and Sole Proprietorship accounts.

**ELIGIBLE TRANSACTION TYPES:** NSF transactions initiated for payment against a customer’s checking account may be approved/paid by us using, and up to, their assigned ODP Service Limit, including our fees. The eligible transaction types will include, without limitation: checks, ACH, ATM, POS, Home or Internet Banking Bill Payment and transfers, and telephone banking bill payment and transfers.

**OPT OUT:** Customers may choose at any time to not participate in the ODP Service by notifying bank personnel.

Our Overdraft Privilege Service does not constitute an actual or implied agreement between customer and the bank. Nor does it constitute an actual or implied obligation of or by the bank. This service represents a purely discretionary courtesy or privilege that the bank may provide to customer from time to time and which may be withdrawn or withheld by the bank at any time without prior notice or reason or cause.

This policy recognizes that decisions will have to be made on a daily basis as to whether or not to create overdrafts on deposit accounts that are ineligible for the Bank’s Overdraft Privilege service.