

Your Guide To
**Consumer Overdraft
Protection**



General Information on Overdrafts





What is an overdraft?

An overdraft occurs when you don't have enough money in your checking account to cover an item presented against your account. Items are presented when you make payments or purchases through methods like checks, automatic bill payments, your debit card or ACH.

When this occurs, the Bank may choose to extend a courtesy cushion to cover your item. In some cases, the Bank may choose to return the item, leaving your item unpaid. Regardless of the outcome, overdraft services can help cover items when insufficient funds are available or when mistakes happen.

Avoiding Overdrafts:

The best way to avoid an overdraft is to responsibly manage your finances. Below are some suggested ways to help manage your account. Additionally, in the event multiple items are presented against your account, you should be aware of Columbia Bank's posting order. Please review the below charts for more information.

Managing Overdraft Risk			
			
1. Schedule transfers when you anticipate your balance to be low	2. Set up account alerts through Online Banking (web version)	3. Utilize Online and Mobile Banking to regularly check your account balance	4. When in doubt, visit a branch or call our Customer Service Center at (800) 522-4167
Our Posting Order:			
<p>Cash deposits and withdrawals processed by a teller are posted in the order they are received. Transactions not performed with a teller, such as electronic items and inclearing checks, may not be processed in the order in which they were transacted. While it is impossible to list all types of transactions here is our posting order for the most common types of transactions.</p> <p>We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Contact us if you have any questions regarding transaction types and posting order.</p> <ol style="list-style-type: none">1. We post credits (deposits) first2. Pay electronic debits3. Followed by inclearing checks beginning with the lowest dollar amount**			
<p>**As a reminder, the merchant may convert your paper check to an ACH, which will be processed as an electronic item.</p>			

How the Bank Calculates My Available Balance and Information About Holds:

Available Balance:

- ▶ Your available balance is the amount of money in your account that you can use without causing an overdraft. Your available balance includes all credits and debits that have posted to your account, and is reduced by any holds on your account, including authorization holds and deposit holds.
- ▶ Your available balance may change during the course of a day as debit transactions and deposits are made. The available balance provided to you by the Bank may not include all of your transactions, such as checks you have written that have not yet cleared or upcoming automatic payments.
- ▶ You agree that it is your responsibility to keep track of your available balance as you make transactions in order to avoid overdrafts and fees.
- ▶ Your monthly account statement does not report the holds affecting your account on any given day; as a result, the daily balances reported in your statement may not reflect your available balance(s) occurring on that day.

Authorization Holds:

- ▶ When you use your debit card to make a purchase, you authorize the merchant to ask us to approve the transaction. When we approve the transaction, we commit to pay the merchant at the merchant's request. We call this "authorizing" the transaction. Our decision to authorize or decline the transaction is based on your account's available balance (as defined above) at the time of the request, plus, at our sole discretion, any available overdraft coverage.
- ▶ There is often a delay between the date we authorize a debit card transaction and the date the merchant submits it to us for payment (settlement). We place a hold on your account for any authorized debit card transaction at the time we authorize it, and the hold remains on your account until we pay it. The amount of the hold will be the amount we have authorized, based on the request we receive from the merchant, or as permitted under applicable payment network rules.
- ▶ The amount held based on an authorization request is not applied to any specific debit card transaction. If an authorized debit card transaction is not submitted to us for payment within three (3) business days after we first apply the hold, we will release the hold from your account (this is referred to as an Expired Hold).
- ▶ Authorization holds reduce your available balance. An authorization hold can result in a \$35 NSF-Paid or \$35 NSF-Returned fee if additional items are presented for payment that exceed the reduced available balance resulting from the hold.

- ▶ The amount of an authorization request and hold may not equal the amount the merchant ultimately presents for payment. Certain merchants (for example, hotels, car rentals, restaurants and gas stations) may submit authorization requests that are higher than the prices of the goods or services ultimately purchased. However, if an authorization hold is pending on your account, and another transaction is presented for payment that exceeds your available balance, you may be charged a fee even if you would have had a sufficient available balance to cover the item if the amount of the authorization hold was equal to the amount the merchant ultimately presents for payment. This is because you cannot use funds that were previously committed to pay an alternative transaction.
- ▶ When a merchant submits an authorization request and your available balance is sufficient to cover the transaction, we agree to make that payment. However, if your transaction is settled later and at the time of settlement your account balance is insufficient to cover the transaction, you will not be charged a fee because you had a sufficient balance at the time of authorization.

Deposit Holds:

- ▶ Deposit holds are different from authorization holds. Please read our Funds Availability Policy, Consumer Mobile Remote Deposit Services Agreement and/or other applicable agreements for more detail on how and when we make funds available to you. We may at our sole discretion include funds subject to a deposit hold in your available balance for purposes of determining insufficient funds fees; however, if such deposits are returned, rejected or otherwise do not make it into your account, you may be assessed fees.

Examples of Available Balances, Authorization Holds and Overdraft Thresholds:

The following is a hypothetical example of how you may be charged due to an authorization hold:

- ▶ Your account has an available balance of \$100, and you swipe your debit card at a gas station to make a purchase. The gas station requests authorization of \$100.
- ▶ The Bank authorizes the payment. When the Bank authorizes the payment, it immediately places a hold on your account for the \$100 authorization, reducing your available balance to \$0 (\$100 minus \$100).
- ▶ You actually pump \$20 worth of gas. The gas station does not submit the authorized amount of \$20 to the Bank for payment until three (3) days after your purchase.
- ▶ Before the gas station submits the amount of \$20, a check you wrote for \$70 is presented against your account.
- ▶ Because the authorized gas station purchase reduced your available balance to \$0 before the \$70 check was presented, the check would have potentially overdrawn your account by \$70 if it were paid. This is true because although the Bank will only pay the gas station \$20, the authorization hold of \$100 from the gas station has not yet fallen off the account and funds are not available for use.

- ▶ Because this \$70 is larger than the \$50 minimum overdraft (explained later in this document) amount to be assessed a fee, you will be charged either a \$35 NSF-Paid or \$35 NSF-Returned fee based on the Bank's decision to pay or return the item.

The following is a hypothetical example of when you will not be charged due to an authorization hold:

- ▶ Your account has an available balance of \$100, and you swipe your debit card at a gas station to make a purchase. The gas station requests authorization of \$100.
- ▶ The Bank authorizes the payment. When the Bank authorizes the payment, it immediately places a hold on your account for the \$100 authorization, reducing your available balance to \$0 (\$100 minus \$100).
- ▶ After three days, the gas station does not request settlement of the payment, so the hold expires and the \$100 is now available for use. You pay bills and buy lunch, reducing your available balance.
- ▶ The following day, the gas station requests payment of \$100, but your available balance is now insufficient to cover the transaction.
- ▶ You will **not** be assessed an NSF fee because at the time of authorization, you had a sufficient balance to cover the item.

Your Options:

Columbia Bank offers several services to clients in order to assist you when unanticipated expenses or simple mistakes leave you with too little cash in your checking account. An overview of our Consumer Overdraft Services are listed below. You can choose to enroll or unenroll in any of these services at any time by contacting your local branch or our Customer Service Center at (800) 522-4167. Some services may be automatically attached to your account at account opening. Please review each product's description for more information.

- ▶ Premium Overdraft: A courtesy overdraft cushion available for consumer checking and money market accounts.
- ▶ Non-Premium Overdraft: The Bank may choose to pay certain items presented against your account. When you opt-out of Premium Overdraft, the Bank will decision any items that may overdraw your account.
- ▶ Account Link: Link your checking account to an eligible secondary account held by Columbia Bank that will transfer funds when your checking account may become overdrawn.
- ▶ CheckRight Overdraft Line of Credit
- ▶ Ready Reserve Overdraft Line of Credit (no longer offered)

If you already have a service that is no longer offered, this document explains the order in which these services will be used to cover overdrafts up to certain limits. If you do not have these services, sections that reference these services do not apply to you.

More About Premium Overdraft

What is Premium Overdraft?

- ▶ Premium Overdraft is a courtesy overdraft service for consumer checking and money market accounts in good standing.
- ▶ Premium Overdraft is not a loan, it is an “emergency cushion” we automatically provide to most checking and money market accounts in good standing. We typically consider your account in good standing if you:
 1. Demonstrate responsible account management (e.g. making regular deposits, ensuring that your account is brought to a positive balance at least once every 30 days—including the payment of all bank fees and charges, etc.),
 2. Avoid excessive overdrafts, and
 3. There are no legal orders, levies or liens against your account.

How to Enroll:

At account opening, you will be asked if you would like to enroll in our Premium Overdraft service. Please review the below chart to learn more about how to enroll in Consumer Premium Overdraft coverage, what it pays and any associated fees.

	Standard Premium Overdraft (Default) Partial Opt-In	Opt-In to One-Time Debit Card and ATM Overdraft Full Opt-In
Action	This is our standard account setting (excluding Forward Checking). You will be asked if you would like to remain in this setting at account opening. You can indicate you would like to remain in this setting by signing our Consumer Overdraft Coverage Election form. You must return a signed, amended Consumer Overdraft Coverage form to update your coverage.	This service is only available if you are enrolled in Standard Premium Overdraft. You will be asked if you would like to enroll in this service at account opening. If you would like to enroll, you must opt-in by signing our Consumer Overdraft Coverage Election form. You must return a signed, amended Consumer Overdraft Coverage Election form to update your coverage.
Pays	Up to \$500 (up to \$300 for Peach Tree Checking) in automatic bill payments, checks and ACH payments, assuming your account is in good standing. *	This additional service authorizes us to pay ATM transactions and one-time debit card transactions when you do not have enough money in your account. When you choose to opt-in to this service, one-time debit card and ATM transactions will be included in your Premium Overdraft limit. For an example of a one-time debit card transaction please review our "Your Guide to Consumer Overdraft Protection" disclosure.
Fees	If a presented item would overdraw your account by exactly \$50 or less, no \$35 NSF-Paid or \$35 NSF-Returned fee would apply. If a presented item would overdraw your account by more than \$50, you will receive either a \$35 NSF-Paid or \$35 NSF-Returned fee based on the Bank's decision to pay or return the item. Subject to the Bank's discretion, the Bank will attempt to pay your item, within your available overdraft limit. A daily maximum of one \$35 NSF fee per day applies. In the event your item is returned, you may also be subject to charges by your merchant for returned items. Items may be represented and incur more than one fee if they are not appropriately submitted as a retry payment. If such represented items are coded as retry payments and identified by us, fees on represented items will be waived. Please see our "Your Guide to Consumer Overdraft Protection" disclosure for more details.	If a presented item would overdraw your account by exactly \$50 or less, no \$35 NSF-Paid or \$35 NSF-Returned fee would apply. If a presented item would overdraw your account by more than \$50, you will receive either a \$35 NSF-Paid or \$35 NSF-Returned fee based on the Bank's decision to pay or return the item. Subject to the Bank's discretion, the Bank will attempt to pay your item, within your available overdraft limit. A daily maximum of one \$35 NSF fee per day applies. Items may be represented and incur more than one fee if they are not appropriately submitted as a retry payment. If such represented items are identified by us, such fees on represented items will be waived. Please see our "Your Guide to Consumer Overdraft Protection" disclosure for more details.

*Select checking products may have higher limits

One-Time Debit Card and ATM Overdraft Services:

Due to federal regulation, we do not authorize ATM transactions and everyday Columbia Bank debit card transactions unless you opt-in to the service. For an example of a one-time debit card transaction please see below.

- ▶ **Example of a “one-time” Debit Card Transaction:** If you are at the supermarket and use your debit card to make your purchase, the transaction will not be approved if you do not have enough available funds in your checking account. These non-scheduled (non-recurring) transactions are considered one-time debit card transactions. If you have Premium Overdraft and wish to have your ATM and one-time Debit Card transactions approved in the case of insufficient funds, you need to Opt-In via a Consumer Overdraft Coverage Election Form.
- ▶ **Recurring debit card transactions:** An opt-in is not required for the payment of recurring (or scheduled) debit card transactions. For example, if you provided your debit card number to your local gym to pay for monthly dues, they may be approved against insufficient funds and standard overdraft fees will apply.

Notice for Premium Overdraft

- ▶ When you enroll in our Premium Overdraft service, you will receive notice via mail after an item is presented against insufficient funds. The notice will detail if the item was paid or returned based on your available overdraft limit, as well as any associated fees that were applied by the Bank. If your account is not brought positive, you will also be notified via mail when your account becomes 15 days overdrawn, 30 days overdrawn and 45 days overdrawn. Your account will be charged off if your account is overdrawn for 60 consecutive days and you will be reported to ChexSystems, a nationwide consumer reporting agency.

Additional Information on Premium Overdraft:

- ▶ This is a non-contractual courtesy that is available to individually/jointly owned consumer checking accounts (excluding Forward Checking) in good standing for personal or household use. Columbia Bank reserves the right to limit participation to one account per household and to discontinue this service without prior notice. Whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts. Premium Overdraft pays all overdraft items and assesses overdraft charges up to your Premium Overdraft limit. If total overdraft items and fees exceed this limit, any remaining items may be paid or returned at the discretion of the bank. The amount of any overdraft plus our standard overdraft and NSF returned items fees that you owe us shall be payable within 30 days of becoming overdrawn.

Non-Premium Overdraft:

You may choose to opt-out of our Premium Overdraft service at account opening, by contacting your local branch or by contacting our Customer Service Center at (800) 522-4167. When you choose to opt-out of our Premium Overdraft service, it is still possible to overdraw your account. We refer to this as Non-Premium Overdraft because you have indicated that you would prefer that the Bank decision presented items on your behalf at the time of presentment.

	Opt-Out of Premium Overdraft (Non-Premium Overdraft) Full Opt-Out
Action	You will be asked if you'd like to opt-out of Premium Overdraft at account opening. You can change this coverage at any time by contacting your local branch or our Customer Service Center at (800) 522-4167.
Pays	In the event an item is presented against your account, and you do not have sufficient funds to cover the item, the Bank, at its sole discretion, will make a decision to pay or return each item.
Fees	If a presented item would overdraw your account by exactly \$50 or less, no \$35 NSF-Paid or \$35 NSF-Returned fee would apply. If a presented item would overdraw your account by more than \$50, you will receive either a \$35 NSF-Paid or \$35 NSF-Returned fee based on the Bank's decision to pay or return the item. A daily maximum of one \$35 NSF fee per day applies. In the event your item is returned, you may also be subject to charges by your merchant for returned items. Items may be represented and incur more than one fee if they are not appropriately submitted as a retry payment. If such represented items are identified by us, such fees on represented items will be waived. Please see our "Your Guide to Consumer Overdraft Protection" disclosure for more details.

Notice:

► When you opt-out of our Premium Overdraft service, you will receive notice via mail after an item is presented against insufficient funds. The notice will detail if the item was paid or returned, as well as any associated fees that were applied by the Bank. There will be no subsequent notices sent to you if your account remains in an overdrawn status. Your account will be charged off if your account is overdrawn for 60 consecutive days and you will be reported to ChexSystems, a nationwide consumer reporting agency.

Additional Information on Overdrafts:

Item Decisioning:

If your available balance is insufficient to pay an item when it is processed and posted in the order set forth within our agreements with you, we may, in our sole discretion, choose to pay the item or return the item. When the Bank chooses to pay an item, you may be assessed a \$35 NSF–Paid fee and your merchant will be paid. When the Bank chooses to return an item, you may be assessed a \$35 NSF–Returned fee and your merchant will not be paid. You may also be subject to charges by your merchant for returned items.

Representation:

Please be aware that companies and other third parties sometimes re-submit items that we return unpaid in an attempt to collect your payment at another time. Companies have the ability to code re-submitted items as “retry payments”. In the event a re-submission is properly coded as a retry payment and is identified by us, you will not be charged an additional insufficient funds fee as you already paid an NSF fee on the item. You agree that if any transaction is submitted for payment as a new item and not as a re-submission “retry payment” after having previously been returned unpaid by us, an insufficient funds fee may be assessed if your available balance is insufficient to pay the item.

Your Responsibility:

You must immediately pay all fees, overdrafts and other amounts you owe us as a result of the insufficient funds. These amounts may be paid out of any subsequent deposit to your account (including deposits of payroll and government benefits).

Fee Limits:

Regardless of whether you enroll in our Premium Overdraft Program or if you opt-out of our Premium Overdraft Program, the Bank will not assess more than one \$35 NSF-Paid or one \$35 NSF-Returned item fee in one day.

Fees are generally incurred on the day that the activity occurred and are posted to your account on the same day if it is a business day or the next business day if it is not a business day. As a result, you may see more than one fee posted on the same business day.

This may occur when items incur a fee on a non-business day and then items incur an additional fee on the next business day. Both fees will post on the same business day.

We will not charge an insufficient funds fee, whether NSF-Paid or NSF-Returned, if the item would not cause your account to become overdrawn by more than \$50 (as determined by your available balance).

Account Link:

About Account Link:

Account Link is an additional overdraft service that does not relate to any of the above-mentioned Premium Overdraft or Non-Premium Overdraft coverage options. Account Link is utilized before other overdraft services that may be attached to your account.

Account Link attaches your checking account balance with an eligible secondary account held by Columbia Bank, usually a savings account, money market account or a secondary checking account. In the event your checking balance cannot cover an incoming item, Account Link transfers funds from your secondary account to your overdrawn checking account in \$100 increments. The daily maximum dollar amount of transfers is \$2,500. To enroll in this service, please contact your local branch.

Account Link Fees:

The fee for each transfer is currently \$10, with a daily maximum of \$20.

Our Overdraft Service Processing Order:

If you have multiple Overdraft Protection Services, available funds or limits will be processed in the following order:

1. Account Link	Only requires a secondary account (Statement Savings, Money Market, secondary Checking) keeping enough funds in your secondary account for enough protection. Fees apply.
2. CheckRight Overdraft Protection Line of Credit	CheckRight Overdraft Protection Line of Credit can be very cost effective if outstanding balances are paid shortly after the overdraft occurs. Refer to your credit line agreement for information on interest rates.
3. Ready Reserve Overdraft Line of Credit (no longer offered)	Ready Reserve Overdraft Line of Credit can be very cost effective if outstanding balances are paid shortly after the overdraft occurs. Refer to your credit line agreement for information on interest rates.
4. Premium Overdraft	Automatically extended to accounts in good standing. Fees apply.