

## What is an overdraft?

An overdraft occurs when you spend or withdraw more money than you have available in your checking account to use.

One of two things happens when you do not have enough money in your account to cover a transaction. The transaction can be rejected without payment (it is sent back to the person or company you paid); this is called a return item. Or, the transaction is paid, causing your account balance to become negative, also called an overdraft. In both cases, a fee may be charged to your account for each item that is paid or returned unpaid.

We understand that occasional mistakes or temporary situations can cause you to overdraw your account. However, incurring overdraft or return item fees on a regular basis can be costly.

**Central Pacific Bank offers the following overdraft protection options for your personal checking account for those occasional overdrafts:**

- Savings Overdraft Protection
- Personal ExpressLine of Credit
- Home Equity Line of Credit
- Overdraft Privilege

## How to Avoid Overdrafts

- Know your account balance and keep track of your deposits and payments, including those that are scheduled to occur automatically (you can do this by keeping a transaction register). Using free services like online banking, mobile banking, or our Infoline telephone banking can help.
- On a monthly basis, take time to balance your checking account register with your monthly statement from the bank.
- Sign up for direct deposit of your paycheck or Social Security payments.
- Know when regular electronic transfers (e.g., rent, mortgage payments, or utility bills) and direct deposits (e.g., payroll or Social Security checks) are paid or deposited into your account.
- Sign up for low-balance email alerts, available through our online banking service.

**For more information, please visit any branch; call our Customer Service Center at (808) 544-0500 or toll-free at 1-800-342-8422 or visit us online at [www.cpb.bank](http://www.cpb.bank).**

Type of Overdraft Protection	SAVINGS OVERDRAFT PROTECTION	PERSONAL EXPRESSLINE OF CREDIT OR HOME EQUITY LINE OF CREDIT	OVERDRAFT PRIVILEGE For Personal Checking Accounts
<b>Description of Service</b>	Your Personal Savings or Exceptional Savings account balance is used to cover overdrafts. (Not all account types can be used for this service.)	Your line of credit is used to cover overdrafts.	Overdraft Privilege covers occasional, unintended overdrafts.
<b>How Does It Work?</b>	<p><b>The exact amount of the overdraft plus the Savings Overdraft Protection Transfer Fee will be transferred from your linked savings account to your checking account.</b></p> <ul style="list-style-type: none"> <li>Covers overdrafts caused by checks, in-person withdrawals, electronic funds transfer (ACH) transactions (such as preauthorized automatic transfers), online bill payments, online banking or telephone banking transfers to your other CPB accounts, and debit card and ATM transactions.</li> <li>Covers overdrafts caused by account fees, such as overdraft fees, return item fees, and monthly service charges.</li> </ul>	<p><b>Funds are advanced from your line of credit and transferred automatically to your checking account in increments specified in your line of credit agreement.</b></p> <ul style="list-style-type: none"> <li>Covers overdrafts caused by checks, in-person withdrawals, electronic funds transfer (ACH) transactions (such as preauthorized automatic transfers), online bill payments, debit card and ATM transactions.</li> <li>Covers overdrafts caused by account fees, such as overdraft fees, return item fees, and monthly service charges.</li> </ul>	<p><b>With Overdraft Privilege, we may pay transactions, allowing you to overdraw your checking account. We will charge you an overdraft fee for each transaction we pay, which will increase the negative balance in your account.</b></p> <ul style="list-style-type: none"> <li>We may use Overdraft Privilege to pay checks you have written, in-person withdrawals, and automatic bill payments such as online bill payments, preauthorized debits to pay bills automatically from your account and recurring bill payments using your debit card.</li> <li>We may also use Overdraft Privilege to pay for fees, such as overdraft fees, and other bank charges that may be deducted from your account.</li> <li>If your account also has another form of overdraft protection, such as Savings Overdraft Protection, Personal ExpressLine of Credit, or Home Equity Line of Credit linked to the account, those overdraft protection services will be used first and overdrafts that exceed your overdraft protection amount may be paid by the Bank at our discretion using Overdraft Privilege.</li> </ul>
<b>When are Overdrafts Not Paid?</b>	<p>Generally, Savings Overdraft Protection will not cover an overdraft if the overdraft amount would cause your savings account to have an available balance of less than \$1 after the transfer is made.</p> <p>If the available balance of the savings account is less than the overdraft, we may either pay the overdraft at our discretion, causing your checking account to be overdrawn, or return the item unpaid.</p>	<p>Generally, line of credit overdraft protection will not cover an overdraft if the advance amount would exceed the available credit.</p> <p>Line of credit overdraft protection will not cover transfers made from your checking account to other accounts you have with us that you request using our telephone or online banking services.</p> <p>If the advance amount is not enough to cover the overdraft, we may either pay the overdraft at our discretion, causing your checking account to be overdrawn, or return the item unpaid.</p>	<p>We have the right not to pay any or all items that will overdraw your account. We will use our discretion to decide which transactions, if any, are paid.</p> <p>Overdraft Privilege will not cover ATM and everyday debit card transactions unless you separately authorize us to include such transactions.</p> <p>Overdraft Privilege will not cover transfers made from your checking account to other accounts you have with us that you request using our telephone or online banking services.</p>
<b>How Much Protection Can I Get?</b>	The amount of your available savings account balance minus \$1. (Your savings account must have a balance of at least \$1 after the transfer is made.)	Up to the credit line amount that will be determined by your creditworthiness.	Your overdraft limit varies and may change daily. Some customers may receive higher limits while others may receive lower amounts or none at all.

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<p><b>Are There Any Fees?</b></p>	<p>We charge a \$12.50 Savings Overdraft Protection transfer fee. This fee (charged to the checking account) will only be charged once on any day on which a transfer is made. The amount of the fee is included in the amount transferred from the savings to the checking account.</p> <p>If the available balance in your savings account is not enough to cover an overdraft, we may pay the overdraft at our discretion, causing your checking account to be overdrawn, or return the item unpaid. The applicable \$32 overdraft fee or return item fee will be charged to your checking account.</p>	<p>We charge a \$15 annual fee for overdraft protection using a Personal ExpressLine of Credit. (Annual fee is waived for Exceptional Checking or Exceptional Choice Checking.) There is no fee for each transfer.</p> <p>No annual fee for overdraft protection through a Home Equity Line of Credit. There is no fee for each transfer.</p> <p>Interest charges and other fees related to the line of credit may apply.</p> <p>If your available credit is not enough to cover an overdraft, we may pay the overdraft at our discretion, causing your checking account to be overdrawn, or return the item unpaid. The applicable \$32 overdraft fee or return item fee will be charged to your checking account.</p>	<p>A \$32 overdraft fee will be charged for each item that is paid by this service when you do not have enough money in your account. If we return any items unpaid, we will charge a \$32 return item fee for each item.</p> <p>Personal accounts will be charged no more than \$160 per day for overdraft and return item fees combined.</p> <p>Overdraft fees and return item fees will not be charged for transactions of \$5 or less.</p>
<p><b>What Else Should I Know About the Service?</b></p>	<p>If your savings account has a minimum balance requirement, overdraft protection transfers may cause your balance to fall below the minimum balance, resulting in a monthly service charge to the savings account for that statement period.</p>	<p>The amount advanced from your line of credit will be rounded up to the nearest increment that is specified in your line of credit agreement.</p> <p>For Personal ExpressLine of Credit, the advance would be in \$100 increments; for Home Equity Line of Credit, the advance would be in \$250 increments.</p> <p>For example, an overdraft of \$175 would result in an advance from a Personal ExpressLine of Credit of \$200 being transferred to your checking account.</p> <p>You will be charged interest on the full amount of the advance.</p>	<p>Among our Overdraft Protection Options, this program can be the most costly. You may choose to cancel the Overdraft Privilege service at any time.</p> <p>If you do not deposit enough money to make your account balance positive within 30 days, Overdraft Privilege will be suspended until your account is brought back to a good standing.</p> <p>If your account balance is overdrawn for 45 consecutive days, your account will be closed, and we may report negative information about your account to a consumer-reporting agency, and refer your account to a collection agency.</p>
<p><b>Do I Have to Apply?</b></p>	<p>To set up this service, simply sign an agreement and tell us your CPB savings account number to link.</p>	<p>Yes, subject to credit application and approval.</p>	<p>No. We automatically provide Overdraft Privilege, at our discretion, to qualifying checking accounts in good standing. Your account is continually evaluated on criteria such as how long the account has been open, deposit amounts, frequency of deposits, prior overdraft activity and account status relating to any legal or administrative order, levy, or loan obligation. Eligibility criteria may change from time to time.</p>