

Central Pacific Bank (“we,” “CPB,” or “the Bank”) believes it is important for you to use your checking account responsibly and to never intentionally overdraw your account. However, we realize that financial shortfalls happen from time to time and we offer Overdraft Privilege (“Service”) as an option to cover you in the event you inadvertently overdraw your checking account. Overdraft Privilege is not a line of credit. It is a service we add to your checking account to cover inadvertent overdrafts.

Who is Eligible for Overdraft Privilege?

- There is no application; we automatically provide Overdraft Privilege to qualifying checking accounts in good standing at our discretion.
- It is the Bank’s policy to comply with applicable laws and regulations, and to conduct business in accordance with applicable safety and soundness standards. Therefore, we will continually evaluate your account for eligibility on the following criteria: how long the account has been open, deposit amounts, deposit regularity, previous overdraft activity, account status relating to any legal, administrative order or levy, and status of any loan obligations with the Bank. Eligibility criteria may change from time to time.

What is an Overdraft?

- Your account is considered to be overdrawn when the dollar amount of the items we receive for payment is more than your Available Balance.
- Your Available Balance may be less than your Current Balance. Your Current Balance is the amount of money in your account at the beginning of a business day and does not include any pending deposits, withdrawals or holds.
- Your Available Balance is your Current Balance minus any holds and any pending debit card purchases, automatic drafts, processing checks or other debits from your account. The Available Balance also takes any pending deposits into consideration.
- You can spend up to the amount of your Available Balance after accounting for holds and pending or outstanding transactions without incurring an overdraft or insufficient funds transaction.
- Due to pending debit card transactions, a hold may be placed on the account thereby lowering the Available Balance. If additional transactions come through while the hold is in place, the account may be overdrawn due to insufficient funds and incur an overdraft fee (which will appear on your account statement as “Overdraft Fee (Paid NSF/OD Fee)”. If the hold on the original transaction does not post or is posted for a lower amount and subsequent items that come through result in an overdraft fee, we will not refund the fee.
- Note: A “hold” occurs when you use your debit card and the merchant processes your transaction but does not immediately settle the transaction. In these cases, the funds are on hold (thereby lowering your Available Balance) in anticipation of the settlement of the transaction (i.e., when the funds are withdrawn from your account and paid to the merchant). Funds may be on hold for up to five (5) business days, by which time the merchant must settle the transaction. If the merchant does not do so, the hold is released, and you will again have access to those funds.

Example of Available Balance and the impact of holds (example \$80 debit card purchase):

- **Day 1:** You started the day with \$100 available balance in your checking account. You make a debit card purchase for \$80 that is pre-authorized by the merchant and a hold for the amount is placed on your account. This means that although you have \$100 available funds, only \$20 will be accessible for use until the hold is released and/or the merchant settles (processes) the transaction at a later date, whichever comes first. Processing times vary for each merchant.
- **Day 2:** You have \$20 in available balance and a personal check of \$40 posts to your account, lowering your available balance to -\$20, which results in an overdraft.
- **Day 3:** You have -\$20 in available balance and after the overdraft fee of \$32 is charged, the available balance becomes -\$52. The debit card hold for \$80 is released and the merchant settles (processes) the transaction, which posts to your account. Your available balance remains at -\$52.

Note: This example is illustrative only, and any merchant may place a hold on your account funds when you use your debit card.

Transaction Description	Transaction Amount	Available Balance
Day 1		
Beginning Balance		\$100
Pre-Authorized Debit Card Transaction (funds put on hold)	-\$80	\$20
Day 2		
Beginning Balance		\$20
Check Posted	-\$40	-\$20
Day 3		
Beginning Balance		-\$20
Overdraft Fee	-\$32	-\$52
Debit Card Hold Released	\$80	-\$52
Debit Card Transaction Settlement	-\$80	

How Does Overdraft Privilege Work?

- We may use Overdraft Privilege to pay the following types of transactions; checks you have written, in-person withdrawals, automatic bill payments, and other transactions using your checking account except for those stated below.
- 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.
- If your account also has another form of overdraft protection, such as Savings Overdraft Protection, Personal ExpressLine of Credit, Home Equity Line of Credit, or Business ExpressLine 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.
- For business accounts, we may also use Overdraft Privilege for ATM and everyday debit card transactions.
- For personal accounts, we will not use Overdraft Privilege for ATM and everyday debit card transactions unless you separately provide us with your consent to include such transactions. You may provide your consent by calling our Customer Service Center at (808) 544-0500 or toll-free at 1-800-342-8422, or by visiting any CPB branch.
- We will not use Overdraft Privilege for transfers made from your checking account to other accounts you have with us that you request using our telephone or online banking services.

Are There Limits to How Much Overdraft Privilege Will Pay?	<ul style="list-style-type: none"> Your Overdraft Privilege limit can change daily. Some customers may receive higher limits while others may receive lower amounts or none at all. As long as your account is in good standing and meets the eligibility criteria, the factors that influence your daily limit are how long your account has been open, the amount of the deposits you make, and the frequency of your deposits.
Will My Transactions Always be Paid if I Have Overdraft Privilege?	<ul style="list-style-type: none"> We have the right not to pay any or all items that will overdraw your account. We will use our discretion to decide which items, if any, are paid.
What are the Fees for Using Overdraft Privilege?	<ul style="list-style-type: none"> 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. For personal accounts: Your account will be charged no more than \$160 per day for overdraft and return item fees combined. For business accounts: Your account will have no limit on overdraft and return item fees that can be charged per day. Overdraft fees and return item fees will not be charged for transactions of \$5 or less. We will send you a notice when we process any customer-initiated transaction for which you did not have enough money in your account to pay.
In What Order are Items Paid?	<ul style="list-style-type: none"> The order in which we pay items could affect which items are paid and the total amount of overdraft and/or returned item fees you incur. After adding deposits and credits to your account balance, we generally pay items in the following order: (1) ATM withdrawals, debit card transactions, and withdrawals done at one of our branches; (2) electronically processed transfers (such as ACH items, preauthorized automatic transfers, and telephone transfers); (3) checks cashed at one of our branches or deposited into a CPB account, in check number order; (4) all other checks, in check number order; (5) any remaining items. We process Online Bill Payment checks as Priority checks, which are treated as a cash withdrawal at our branch. We reserve the right to change the order in which we pay items at any time at our discretion.
How Do I Repay My Overdraft?	<ul style="list-style-type: none"> If your checking account is overdrawn, you are required to deposit enough funds to make your account balance positive within 30 days after your account becomes overdrawn. Any deposits you make to your account will be used to reduce the negative balance in your account.
What Happens if I Do Not Repay my Overdraft?	<ul style="list-style-type: none"> If you do not deposit enough funds to make your account balance positive within 30 days, Overdraft Privilege will be suspended until your account is brought back to a good standing. If your account 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.
How Does This Disclosure Relate to CPB's Deposit Account Agreement?	<ul style="list-style-type: none"> Our deposit account agreement, including any changes, continues to apply to your checking account when you use Overdraft Privilege. The deposit account agreement shall control any possible conflict between any provision of the Overdraft Privilege Disclosure and the deposit account agreement.
What Happens if Central Pacific Bank Does Not Follow its Rules?	<ul style="list-style-type: none"> If Central Pacific Bank waives any of the rights, remedies, or privileges described in the deposit account agreement or this Overdraft Privilege Disclosure in any particular circumstance, that does not prevent the Bank from exercising those rights, remedies, or privileges in the future nor does it mean that the Bank will waive its rights, remedies, or privileges again in the future.
How Can Overdraft Privilege be Canceled?	<ul style="list-style-type: none"> You may choose to cancel the Overdraft Privilege service at any time by calling our Customer Service Center at (808) 544-0500 or 1-800-342-8422 or visit any CPB branch. Personal accounts: If you previously gave us your consent to use Overdraft Privilege for ATM and everyday debit card transactions, and would like to revoke that consent, please call us at the phone number above or visit any CPB branch. Business accounts: Your Overdraft Privilege service automatically includes ATM and everyday debit card transactions. If you do not want Overdraft Privilege to cover those types of transactions, you must remove Overdraft Privilege from your account completely by calling us at the phone number above or visiting any CPB branch. We reserve the right to end your participation in Overdraft Privilege at any time for any reason. We will notify you if we end your participation in Overdraft Privilege. We reserve the right to discontinue the Overdraft Privilege service in its entirety at any time.
What Other Options Do I Have?	<ul style="list-style-type: none"> Personal accounts: The Bank offers other overdraft protection plans, such as a link to a savings account (Savings Overdraft Protection) or a link to a line of credit (Personal ExpressLine of Credit or Home Equity Line of Credit), which may be less expensive than our Overdraft Privilege service. To learn more about these plans, visit any CPB branch. Business accounts: The Bank offers a line of credit (Business ExpressLine of Credit) which may be linked to your checking account for overdraft protection and may be less expensive than our Overdraft Privilege service. To learn more, visit any CPB branch.
Where Can I Get Help?	<ul style="list-style-type: none"> If you need help managing your account more effectively, tips and information can be found at the following websites (Central Pacific Bank does not endorse any of these websites): <ul style="list-style-type: none"> mymoney.gov consumerfinance.gov moneymangement.org aarp.org You can visit a branch or call us for more information on other overdraft protection services we offer.