CENTRAL PACIFIC BANK
Member FDIC

What You Need to Know about Overdrafts and Overdraft Fees
For personal checking accounts with Overdraft Privilege

An <u>overdraft</u> occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account. We refer to this practice as Overdraft Privilege.
2. We also offer 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 standard overdraft practices. To learn more, ask us about these plans.

We determine whether you have enough money in your account for purposes of assessing overdraft fees based on your "Available Balance," as defined below. This notice explains our <u>standard overdraft practices</u>.

OVERDRAFT POLICY

Unless we have agreed to a separate overdraft protection agreement with you, the following rules apply. We are not obligated to pay any overdraft. We will assess a fee for each transaction that results in an overdraft, whether we pay the transaction or not, and at our discretion, we may waive the fee. If we pay the transaction, you agree, immediately upon notice from us, to deposit funds sufficient to cover the overdraft plus any fees we impose. If you do not deposit enough money to make your account balance positive within 45 days after your account becomes overdrawn, your account will be closed. If we close your account because you did not repay your overdraft, we may report negative information about your account to a consumer reporting agency. We may also refer your account to a collection agency to recover the amount you owe us.

Overdrafts, Available Balance, and Current Balance. An overdraft occurs 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. 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. Please refer to the Overdraft Privilege Disclosure on how holds may affect the Available Balance in your account and the assessment of overdraft and insufficient/non-sufficient funds ("NSF/OD") fees.

What are the <u>standard overdraft practices</u> that come with my account?

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number.
- Automatic bill payments (including online bill payments, preauthorized debits to pay bills automatically from your account, and recurring bill payments using your debit card)

We <u>do not</u> authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- ATM transactions
- Everyday debit card transactions

We pay overdrafts at our discretion, which means we <u>do not guarantee</u> that we will always authorize and pay any type of transaction.

If we do not authorize and pay an overdraft, your transaction will be declined.

What fees will I be charged if Central Pacific Bank pays my overdraft?

Under our standard overdraft practices:

- We will charge you a fee of **$32** each time we pay an overdraft.
- Personal accounts will be charged no more than $160 per day for overdraft and return item fees combined.
- Overdraft fees and return item fees will not be charged for transactions of $5 or less.

What if I want Central Pacific Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call 808-544-0500 or toll-free at 1-800-342-8422, or complete the form below and present it at any branch or mail it to: Central Pacific Bank, Attn: Overdraft Privilege, PO Box 3590, Honolulu, HI 96811-3590.

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CUSTOMER ACKNOWLEDGEMENT

❑ I <u>do not</u> want Central Pacific Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.
❑ I want Central Pacific Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name	Signature	Account Number	Date

BANK USE

Customer CIF:	Date Received:	Time:
Branch / Dept:	Employee ID:	Processed By:	Date: