

# Overdraft Programs



**MERRIMACK**  
COUNTY SAVINGS BANK



*At times, unanticipated expenses or unforeseen problems can leave you with too little cash in your checking account. Having a check returned due to insufficient funds can be a costly, inconvenient and potentially embarrassing experience.*

*At Merrimack County Savings Bank, we do not encourage overdrafts. To avoid fees, we encourage you to manage your finances responsibly by keeping track of your account balance and reconciling it regularly. However, we have several options that can save you from additional merchant fees and possible damage to your credit history that may result from an overdraft.*

### **Transfer Account Protection**

The Merrimack will transfer available funds from another Merrimack checking or savings account to cover an overdraft on a checking account. The basics of the program are:

- Available funds are transferred in \$5 increments once each day to cover all overdrafts on the checking account for that day.
- Transfers will not occur to cover fees or charges assessed by the Bank. This may result in an overdraft on your checking account.
- \$5 Transfer Fee per daily transfer charged to the linked checking account.
- No annual fee or finance charge.
- Enrollment required. Apply with a Merrimack Branch Services Representative.

To learn more about Transfer Account Protection stop by any of our locations, call us at 800.541.0006 or visit us online at [themerrimack.com](http://themerrimack.com).

### **CheckReserve Overdraft Line of Credit**

The CheckReserve Overdraft Line of Credit allows qualifying customers access to an approved line of credit that allows funds to be automatically transferred into their checking account.

The basics of the program are:

- The Merrimack will automatically transfer funds in \$100 increments up to your approved amount to cover an overdraft in a personal checking account.
- Approved lines may be as small as \$500 or as large as \$5,000 depending on customer preference and qualification.
- Customers can opt to pay back the line through automatic monthly deductions from their checking account.
- No prepayment penalty.
- An annual fee of \$30.
- Interest is charged for any credit used. See the CheckReserve Overdraft Line of Credit application for current rates.
- This is not an automatic service, so interested customers must apply with a Merrimack Branch Services Representative. Subject to underwriting approval.

To learn more about CheckReserve Overdraft Line of Credit stop by any of our locations, call us at 800.541.0006, consult the CheckReserve Overdraft Line of Credit brochure and application or visit us online at [themerrimack.com](http://themerrimack.com). Certain restrictions may apply.

### **Courtesy Pay**

Courtesy Pay is an automatic discretionary overdraft service that provides a safety net up to a pre-determined amount under certain conditions.

Courtesy Pay may be available for overdrafts created by checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic (ACH) payment transaction, automatic bill payment, recurring debit card payment, online banking transactions. If you request us to do so, we may authorize ATM transfers or withdrawals and everyday debit card purchases using your available balance and your Courtesy Pay limit. Balances displayed do not include the Courtesy Pay limit, online banking transactions, phone transactions

or other electronic means. Recurring debit card transactions (payments that are set up to pay automatically) such as an automatic draft from your health club or insurance company may continue to be covered by your overdraft service.

The basic features of this program include:

- Automatic discretionary overdraft service for checks and other transactions made using your checking account number or automatic bill payment and recurring debit card payments.
- At your request, we may authorize and pay overdrafts created by everyday debit or ATM transactions.
- You may also request to opt out of Courtesy Pay altogether at any time.
- An Overdraft Item Fee of \$32.50 per item may be charged for covering each overdraft that results in a negative balance at the end of the day.
- A maximum of 4 overdraft fees per account per day will be assessed.
- Courtesy Pay limits vary by type of checking account, relationship with the Merrimack and account standing.
- Once an overdraft has occurred you are required to bring your account to a positive balance within 30 days.
- Whether your overdrafts will be paid is discretionary and we reserve the right not to pay. We do not typically pay overdrafts if your account is not in good standing.

Please continue reading this brochure for Courtesy Pay frequently asked questions and the Customer Overdraft Policy.

## How do the overdraft programs work together?

The overdraft options are activated in the following order, as applicable, to cover an overdraft on your checking account:

1. The available balance in your enrolled Transfer Account Protection linked account is used first.
2. Check Reserve Overdraft Line of Credit up to your pre-approved amount is used second.
3. When each of these is exhausted, or non-applicable, Courtesy Pay will be activated.

## How does Courtesy Pay work?\*

As long as you maintain your account in “good standing,” we may approve your overdraft items within your current available Courtesy Pay limit as a non-contractual courtesy. For Courtesy Pay consideration, your account is in “good standing” if you (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all bank fees and charges); (2) avoid excessive overdrafts that would suggest the use of Courtesy Pay as a continuing line of credit; and (3) there are no legal orders, levies or liens against your account.

We reserve the right to limit participation to one account per household or to suspend, revoke, or discontinue this service without prior notice.

\*Please refer to the [Courtesy Pay Customer Overdraft Policy](#) at the end of this brochure for additional details.

Please note that the amount of the overdraft item plus our Overdraft Item Fee of \$32.50 for each item will be deducted from your Courtesy Pay limit, if an item is paid. Overdrafts above and beyond your established Courtesy Pay limit may result in checks or other items being returned to the payee. If an item is returned, a Returned Item Fee of \$32.50 will be deducted from your account. No interest will be charged on the overdraft balance.

## What does Courtesy Pay cost?

There is no additional cost associated with Courtesy Pay unless you use it. You will be charged our Overdraft Item Fee of \$32.50 for each overdrawn item paid created by a traditional paper-based check, and other transactions made using your checking account number, such as a teller withdrawal, an automatic payment (ACH) transaction, or a recurring debit card payment. If you request us to do so, by “opting in”, we may also authorize ATM transfers or withdrawals and everyday debit card purchases up to your daily Courtesy Pay limit. The Merrimack will charge no more than 4 overdraft item fees per account on any given business day.

For example, three paid items in one day will result in up to \$97.50 in Overdraft Item Fees. To help you manage your account, the total fees you have paid for items (both paid and returned) during the current month and for the year-to-date will be reflected on your monthly statement.

Your balance at the time these transactions post will determine the overdraft status and the assessment of fees. Other transactions initiated by you, or a delay in processing authorized transactions by the merchant, may result in previously authorized transactions posting against an insufficient balance. A paid item Overdraft Item Fee of \$32.50 will be charged for each ATM or everyday debit card transaction that posts against insufficient funds. Once opted in, you may revoke your authorization at any time by contacting us at 800.541.0006.

## What is my Courtesy Pay limit?

Locate your account type below and make note of the corresponding limit. If you have multiple accounts for your household, you may have a limit on each eligible account.

|                       |         |
|-----------------------|---------|
| Better Checking       | \$500   |
| Senior Checking       | \$750   |
| Premier Checking      | \$1,000 |
| Everyday Money Market | \$750   |
| Premier Money Market  | \$750   |
| Everyday Checking     | \$300   |

## How quickly must I repay my Courtesy Pay?

You should make every attempt to bring your account to a positive end-of-day balance as soon as possible, and must do so within 30 calendar days. If you are not able to do so, you will receive a letter from Merrimack County Savings Bank informing you that your Courtesy Pay limit has been suspended and additional items will be returned. **Unless we advise you differently or you request this service to be removed from your account, your limit will be made available to cover overdrafts again one business day after you bring your account to a positive end-of-day balance.**



## What are some of the ways I can access my Courtesy Pay limit? Will my limit be reflected in the balance I receive?

The chart below shows the different ways you can access your Courtesy Pay limit and indicates whether or not this limit will be reflected in the balance provided.

| Access Points                      | Is my Courtesy Pay available? | Does the balance provided reflect my Courtesy Pay limit? |
|------------------------------------|-------------------------------|--|
| Teller                             | Yes                           | No   |
| Writing a Check                    | Yes                           | N/A  |
| Mastercard® Debit Card (recurring) | Yes                           | N/A  |
| Mastercard® Debit Card (everyday)  | No**                          | N/A  |
| ATM withdrawal                     | No**                          | No   |
| ACH-Auto Debit                     | Yes                           | N/A  |
| Online Banking                     | Yes                           | No   |
| Bill Pay                           | Yes                           | N/A  |
| Mobile Banking                     | Yes                           | No   |
| Phone Banking                      | Yes                           | No   |

*\*\*Courtesy Pay service will be made available for ATM or everyday debit card transactions on personal accounts upon your request. Call 800.541.0006, visit the [themerrimack.com](http://themerrimack.com) or visit one of our branches to arrange for your ATM and debit card coverage.*

## What if I am having trouble repaying my Courtesy Pay or use it too frequently?

Please contact us at 800.541.0006 if: (1) you do not believe you will be able to bring your account to a positive end-of-day balance within the required time period; (2) find that you are using Courtesy Pay more often than you intended; or (3) don't understand why your account becomes overdrawn. We would like to discuss your situation with you.

Following regulatory guidance, we will contact you if you are paying multiple overdraft fees (i.e., more than six fees in a rolling 12-month period), to discuss possible alternatives to Courtesy Pay that may better meet your short term credit needs. In the event you ask us to stop contacting you because you have

determined Courtesy Pay is appropriate for your needs, we will honor your wishes. However, if we identify that the number and frequency of overdrafts increases materially for an extended period of time at some point after that, we may contact you again to ensure Courtesy Pay is still the most appropriate option available to you for covering your short term credit needs.

### What if I go beyond my Courtesy Pay limit?

Normally, we will not approve an overdraft for you in excess of the predetermined limit assigned to your account. So as not to exceed your limit, please remember that the amount of the overdraft plus our overdraft item fee of \$32.50 for each item will be deducted from the Courtesy Pay limit. Overdrafts above and beyond your established Courtesy Pay limit may result in checks or other items being returned to the payee. The returned item fee of up to \$32.50 will be charged per item and assessed to your account. An Overdraft/Non-sufficient Funds notice will be sent to notify you of items paid and/or returned. Returned items may be presented for payment by the payee or their financial institution multiple times, which may result in multiple returned item fees.

### How do I know when I use the Courtesy Pay limit?

An Overdraft/Non-sufficient Funds notice will be sent to notify you of items paid and/or returned, including fees. You will need to subtract the total fees when balancing your checkbook.

We have no obligation to notify you before we pay or return any item. The amount of any overdraft including our paid Overdraft Item Fee of \$32.50 and/or a Returned Item Fee of \$32.50 that you owe us is due and payable upon demand even if we do not ask you for payment. You must repay us no later than 30 calendar days after the creation of the overdraft. If there is more than one owner on the account, each owner and agent, if applicable, shall be jointly and severally liable for all overdrafts including all fees charged.

### How soon can I use my Courtesy Pay?

If you are a new customer, you may be able to use the overdraft service the next business day after your account is opened.

### What are some other ways I can cover overdrafts at Merrimack County Savings Bank?

The best way to avoid overdrafts and fees is to keep track of your account balance by entering all checks, debit card purchases and ATM withdrawals in your check register, reconcile your account regularly, and manage your finances responsibly. Other suggestions may be found at <https://www.fdic.gov/moneysmart> and <https://www.consumerfinance.gov/>. However, if a mistake occurs, Merrimack County Savings Bank offers several ways to cover overdrafts.

| Ways to Cover Overdrafts at Merrimack County Savings Bank        | Example of Associated Rates and Fees*       |
|--|---|
| Good account management  | \$0   |
| Link to other Merrimack account with Transfer Account Protection | \$5 transfer fee                            |
| CheckReserve Overdraft Line of Credit                            | 15% APR** / \$30 annual fee*                |
| Courtesy Pay   | Overdraft item fee of \$32.50 for each item |

*\*This information is effective as of April 15, 2022 and is provided as examples. Please ask us about our current specific products, rates and fees.*

*\*\*APR = Annual Percentage Rate. APR subject to change without notice.*

### What if I do not want to have Courtesy Pay on my account?

If you would like to revoke your previous authorization for ATM and debit card transaction coverage, or have this service removed entirely from your account, please call 800.541.0006.

While you may opt out of the privilege at any time, you are responsible for any overdrawn balances at the time of opting out.

## Courtesy Pay Customer Overdraft Policy

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There are several ways your account can become overdrawn, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you (i.e. debit card at point of sale); (3) the return of unpaid items deposited by you; (4) bank service charges; or (5) the deposit of items which, according to the bank's Funds Availability Policy, are treated as not yet available or finally paid.

While we are not obligated to pay any item presented for payment if your account does not contain sufficient funds, as long as you maintain your account in "good standing," we may approve your overdraft items within your current available Courtesy Pay limit as a non-contractual courtesy. For Courtesy Pay consideration, your account is in "good standing" if you (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all bank fees and charges); (2) avoid excessive overdrafts suggesting the use of Courtesy Pay as a continuing line of credit; and (3) there are no legal orders, levies or liens against your account.

In the normal course of business, we generally pay ATM and debit transactions and Merrimack checks presented directly for payment at the Merrimack first, followed by checks and other items without a serial number, in order from lowest to highest dollar amount. 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. Also, please be aware that the order of item payment may create multiple overdraft items during a single banking day for which you will be charged an Overdraft Item Fee of \$32.50 for each overdraft item paid or a Returned Item Fee of \$32.50 for each overdraft item returned.

You may opt out of Courtesy Pay at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft plus the bank's Overdraft Item Fee of \$32.50 per item will be deducted from the overdraft limit.

We may refuse to pay an overdraft item at any time even if we have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in good standing as defined above, or if based upon our review of your account management, we determine that you have too many overdrafts or are using Courtesy Pay excessively or seem to be using Courtesy Pay as a regular line of credit. You will be charged a Returned Item Fee of \$32.50 for each item returned. Returned items may be presented for payment by the payee or their financial institution multiple times, which may result in multiple returned item fees.

You will be promptly notified by mail of any non-sufficient fund items paid or returned; however, we have no obligation to notify you before we pay or return any item. The amount

of any overdraft including our Overdraft Item Fee of \$32.50 and/or a Returned Item Fee of \$32.50 that you owe us shall be due and payable upon demand, even if we do not ask you for payment. You must repay us no later than 30 calendar days after the creation of the overdraft. If there is an overdraft on an account with more than one owner on the signature card, each owner and agent, if applicable, shall be jointly and severally liable for all overdrafts including all fees charged.

Courtesy Pay should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconcile your account monthly, and manage your finances responsibly. If you would like to have this service removed from your account, please call 800.541.0006.

Please note that your Courtesy Pay limit may be available for each item paid under the limit created using your checking account number, such as by checks and other transactions made at the teller window, an automatic payment (ACH) transaction, automatic bill payment, Online Banking, Mobile Banking and Phone Banking. If you request us to do so (opt in), we may authorize ATM transfers or withdrawals and everyday debit card purchases by using your available balance and your Courtesy Pay limit. Your balance at the time these transactions post will determine the overdraft status and the assessment of fees. Other transactions initiated by you, or a delay in processing authorized transactions by the merchant, may result in previously authorized transactions posting against an insufficient balance. An Overdraft Item Fee of \$32.50 will be charged for each ATM or everyday debit card transaction that is paid.

Multiple paid items will result in multiple fees. For example, three paid items in one day will result in \$97.50 in paid Overdraft Item Fees. To help you manage your account, the total fees you have paid for items (both paid and returned) during the current month and for the year-to-date will be reflected on your monthly checking statement.

If you would like to revoke your previous authorization for ATM and debit card transaction coverage, or have this service removed entirely from your account, please call 800.541.0006.

**LIMITATIONS:** Courtesy Pay is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or household use. Merrimack County Savings Bank reserves the right to limit participation to one account per household and to suspend, revoke, or discontinue this service without prior notice. If your limit is suspended, unless we notify you otherwise or you request this service be removed from your account, your limit will be made available to cover overdrafts again one business day after you bring your account to a positive end-of-day balance.



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