

# Standard Overdraft Practices Opt In Notice

## WHAT YOU NEED TO KNOW ABOUT OVERDRAFTS AND OVERDRAFT FEES

An **overdraft** 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:

- We have **standard overdraft practices** that come with your account.
- We also offer **overdraft protection plans**, such as a link to a savings account or line of credit, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

**This notice explains our standard overdraft practices.**

### 1) What are the standard overdraft practices that come with my account?

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

- Checks and other transactions made using your checking account number
- Automatic bill payments

We may not authorize and pay overdrafts for the following types of transactions unless you ask us to (see question # 3 below):

- ATM transactions
- Everyday debit card transactions

We pay overdrafts at our discretion, which means we **do not guarantee** 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.

### 2) What fees will I be charged if Citizens Bank pays my overdraft?

Under our standard overdraft practices:

- We will charge you a fee per item (check, in-person withdrawal, ATM withdrawal, point-of-sale transaction, or other paper, electronic, or type of transaction or debit whether paid or returned) as follows:

1 Overdraft Day.....	\$22 per item
2 or more Overdraft Days .....	\$37 per item

## 2) What fees will I be charged if Citizens Bank pays my overdraft? (continued)

- We will limit the number of per item fees (check, in-person withdrawal, ATM withdrawal, point-of-sale transaction, or other paper, electronic, or type of transaction or debit whether paid or returned) charged to seven items per day.
- We will not charge an Overdraft/Insufficient Available Funds Fee when your transaction is less than \$1.
- We will not charge an Overdraft/Insufficient Available Funds Fee when your Circle Gold account balance is negative \$10 or less.
- We will charge you a daily sustained overdraft fee of \$6.99 if your account remains overdrawn for 3 through 12 consecutive business days. The sustained overdraft fee will be assessed on the 4th business day and each day thereafter up to and including the 13th business day.

## 3) What if I want Citizens Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call 1-888-400-5663, or complete the form below and present it at a branch or mail it to:

Citizens Bank  
ROP111  
P.O. Box 42123  
Providence, RI 02940

You may at any time revoke your consent to the payment of overdrafts on ATM and everyday debit card transactions on your account by contacting us using any of the methods described above.

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I **do not** want Citizens Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.  
Account # \_\_\_\_\_ Account # \_\_\_\_\_ Account # \_\_\_\_\_

I want Citizens Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions.  
Account # \_\_\_\_\_ Account # \_\_\_\_\_ Account # \_\_\_\_\_

Customer Name: \_\_\_\_\_  
Customer Signature: \_\_\_\_\_  
Date: \_\_\_\_\_



# Answers to your questions

## about the new regulation and Standard Overdraft Practices.

### How can I avoid overdrafts?

Citizens Bank offers a variety of tools to help you manage your finances and avoid overdrafts. Simply speak to a banker at your local branch for help in setting up these services.

- Sign up for free, easy-to-use online banking so you can check account balances online, anytime.
- Register for free mobile or email alerts to learn when your balance is low or falls below an amount you specify.
- Use our MoneyHelp<sup>SM</sup> resource to create a budget that works for you, learn more about credit basics and learn how to save more for the future at [citizensbank.com/moneyhelp](http://citizensbank.com/moneyhelp).
- See “What You Should Know About Overdrafts” at [citizensbank.com/overdraft](http://citizensbank.com/overdraft).

### What if I don't opt in to continue Standard Overdraft Practices?

If you do not opt in to our Standard Overdraft Practices, any ATM or debit card transactions that exceed your available balance will be declined starting August 15, 2010.

### If I opt in, will my debit card transactions always be paid when I overdraft?

No. Under Standard Overdraft Practices, payments are authorized at the bank's discretion and it is not possible to determine in advance which individual transactions might be impacted. That is why you may also want to consider an overdraft protection product or sign up for online banking alerts to help keep track of your balances.

### Are there fees?

Standard overdraft fees apply when the bank pays an overdraft on your behalf. Please refer to the Standard Overdraft Practices Opt In Notice which you received with this letter.

### How are transactions deducted from my account?

At Citizens Bank, we do not process your transactions in the order that you make them or when we receive them. Rather, we post transactions from high-to-low, meaning that at the close of each day, we deduct your highest-dollar transactions first, before deducting your smaller dollar transactions. With this “posting order”, you are at a lower risk of having an important item returned, such as a mortgage, rent or car loan payment. However, these larger items will cause your account balance to be used up faster, and, if it falls to zero, you will incur overdrafts or returned items and related fees. As a result, overdraft fees may be incurred more frequently than if we had deducted the transactions in a different order. Remember though, if the available balance in your account does not fall below zero this “posting order” does not matter.

### What are “outstanding debit card authorizations” and will I incur overdraft fees because of them?

An “outstanding debit card authorization” is the amount deducted from your available balance while we await the final settlement from the merchant. This outstanding authorization amount may be larger, or smaller, than your actual purchase. So while we wait for the merchant's final settlement, a period that can last several days, your available balance is reduced by the amount of the authorization, not your actual purchase. In some cases when final settlement is delayed, the outstanding authorization is released, which causes your available balance to appear larger than you might otherwise expect.

A merchant's outstanding debit card authorization request will alter the available balance in your account. If as a consequence, your account's available balance falls below zero at day's end, then overdraft fees will be charged.

### How do overdraft protection plans work with Standard Overdraft Practices?

The ability to overdraw your account through Standard Overdraft Practices is separate from the overdraft protection plans that can be added to your account. When a debit card transaction exceeds your available balance, your Savings Overdraft or Overdraft Line of Credit is used first to cover the overdraft. Standard Overdraft Practices are only used if funds are needed beyond what is available through your Savings Overdraft or Overdraft Line of Credit. There are no changes to these overdraft protection plans.

### How can I learn more about account overdrafts?

For the most current information, see “What You Should Know About Overdrafts” at [citizensbank.com/overdraft](http://citizensbank.com/overdraft), visit a branch or give us a call.