

# OVERDRAFT



**RIDGEWOOD  
SAVINGS BANK**

*multiply the good*

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**This information is effective as of February 1, 2019.**  
**Please call 718-240-4778,**  
**visit [www.ridgewoodbank.com](http://www.ridgewoodbank.com)**  
**or visit a local branch to inquire about specific**  
**products and current rates and fees.**

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At Ridgewood Savings Bank, customers are encouraged to manage their finances responsibly.

To avoid overdrafts and excessive fees customers can:

- Track account balance using the Ridgewood Mobile Apps
- Sign-up for Mobile Account Alerts
- Use Ridgewood Savings Bank Online Banking
- Track checks, debit card purchases & ATM transactions

However, oversights can happen. To help prevent customers from incurring additional fees or possibly damaging their credit history, the Bank provides a variety of overdraft programs for checking account customers.

## What is an overdraft?

An overdraft occurs when a customer does not have sufficient money in a checking account to cover a charge and the Bank pays the charge on behalf of the customer.

There are several ways an account can become overdrawn, such as **(1)** the payment of checks, electronic funds transfers or other withdrawal requests; **(2)** recurring payments; **(3)** the return of unpaid items deposited by the customer; **(4)** Bank service charges (see *separate Disclosure of Service Charges*); or **(5)** the deposit of items which, according to the Bank's Funds Availability Policy (see *separate Important Information About Deposit Accounts disclosure*), are treated as not yet available or finally paid.

Overdrafts are paid at the Bank's discretion, which means there are no guarantees that the Bank will authorize and pay every transaction. If the Bank does not authorize to pay an overdraft, the transaction will be declined or the check returned unpaid.

## Is an overdraft different from a returned item?

Yes. A returned item occurs when the Bank returns an item unpaid because the account did not have sufficient funds to cover it.

**What are some ways overdrafts are covered at Ridgewood Savings Bank?**

The Bank offers a variety of solutions to cover a potential overdraft, including:

- Secured Line of Credit
- Line of Credit
- Overdraft Protection Transfer
- Overdraft Privilege
- Overdraft Privilege Plus

Each type of coverage works a bit differently, and you should choose the coverage that works best for your needs.

Overdraft Options	Associated Rates & Fees
Good account management	\$0
Secured Overdraft Line of Credit	Determined by current interest rates
Overdraft Line of Credit	Determined by current interest rates
Overdraft Protection Transfer	\$0
Overdraft Privilege	\$30 per paid item fee
Overdraft Privilege Plus	\$30 per paid item fee

**Can I have multiple overdraft programs associated with my checking account?**

Yes. If you do select more than one solution, please note that Overdraft Privilege or Overdraft Privilege Plus (if applicable to your account) would serve as the last option for covering an overdrawn item.

## What is a Secured Line of Credit?

Secured Line of Credit (SLOC) is a revolving line of credit (loan) attached to a checking account and secured against a savings account once the SLOC agreement is signed. Amounts are available from \$500 to \$7,500, in \$500 increments subject to the availability of funds in the savings account. The line of credit will cover transactions, penny to penny, depending on the available loan balance. When a checking account does not have sufficient balance for payment, funds are transferred from the line of credit to cover the cost of each transaction. Interest is charged on the SLOC.

## What is a Line of Credit?

Line of Credit (LOC) is an unsecured loan and requires customers to apply. Customers may visit a local branch to complete the appropriate paperwork. Amounts are available from \$500 to \$2,500, in \$500 increments. If approved, the designated sum would be available for overdraft protection. The line of credit will cover transactions, penny to penny, depending on the available loan balance. When a checking account does not have sufficient balance for payment, funds are transferred from the line of credit to cover the cost of each transaction. Interest is charged on the LOC.

## What is an Overdraft Protection Transfer?

The customer signs an agreement to link a statement savings account to a checking account for overdraft protection. When the checking account does not have a sufficient balance for payment, available funds are transferred from the linked savings account to cover the cost of each transaction.



## What is Overdraft Privilege?

Overdraft Privilege is a discretionary service that helps protect against insufficient funds in the circumstances described below. If a customer spends more than what is available in their checking account, Overdraft Privilege may help cover certain transactions.

Overdraft Privilege is available for:

- Checks
- Automatic Bill Payments (ACH)
- Recurring Card Payments
- Teller Transactions

Ridgewood checking account customers are automatically enrolled in the Overdraft Privilege program, as long as the account has been open for at least 30 days, is in good standing and has an aggregate of at least \$500 in deposits within a 30-day period. Customers may also choose to completely opt-out of the program at any time.

Accounts are generally in good standing if **(1)** deposits make the account positive by end-of-day at least once in every 30 calendar days; **(2)** excessive overdrafts are avoided so as not to indicate that Overdraft Privilege is being used as a line of credit; and **(3)** there are no legal orders, levies or liens against the account.

The amount of coverage given on Overdraft Privilege or Overdraft Privilege Plus is based on the specific activity of each account. This activity includes but is not limited to: the length of time the account has been open, the dollar amount of deposits made to the account within a two-month look back period, and the type of Overdraft Privilege option chosen.

Items Covered	Overdraft Privilege*
Checks	Yes
ACH (Electronic Debits)	Yes
Recurring Card Payments	Yes
Teller Transactions	Yes
ATM/ Everyday Debit Card Purchases	No
ATM Cash Withdrawals	No

*\*Customers may opt-out at any time by visiting a local branch.*





## What is Overdraft Privilege Plus?

Overdraft Privilege Plus is a discretionary service that helps protect against insufficient funds on checks, ACH, Recurring Card Payments, Teller Transactions, as well as, ATM and everyday debit card purchases. If a customer spends more than what is available in their checking account, Overdraft Privilege Plus may help cover these transactions.

Customers must opt-in to use this service. For customers that have opted-in to this service, the Bank will strive to pay ATM transactions and everyday debit card purchases when funds are not available to cover the amount of the withdrawal.

Customers without Overdraft Privilege Plus, may have ATM transactions and everyday debit card purchases declined when sufficient funds are not available in the account.

Overdraft Privilege Plus is available for:

- ATM and Debit Card Purchases
- ATM Withdrawals
- Checks
- Automatic bill payments (ACH)
- Recurring card payments
- Teller Transactions

Accounts open for 30 days and maintained in good standing with an aggregate of at least \$500 in deposits within a 30-day period, may be eligible for Overdraft Privilege Plus.

Accounts are generally in good standing if **(1)** deposits make the account positive by end-of-day at least once in every 30 calendar days; **(2)** excessive overdrafts are avoided so as not to indicate that Overdraft Privilege Plus is being used as a line of credit; and **(3)** there are no legal orders, levies or liens against the account.

Items Covered	Overdraft Privilege Plus*
Checks	Yes
ACH (Electronic Debits)	Yes
Recurring Card Payments	Yes
Teller Transactions	Yes
ATM/ Everyday Debit Card Purchases	Yes
ATM Cash Withdrawals	Yes

*\*Customers may opt-out at any time by visiting a local branch.*

## Fees

Fees occur when items are presented against insufficient funds.

A **\$30** Non-Sufficient Funds fee will be assessed per returned item on accounts without an overdraft program.

A **\$30** Overdraft fee will be assessed per insufficient funds item that was paid through Overdraft Privilege for customers that are eligible.

A **\$30** Overdraft fee will be assessed, per insufficient funds item, ATM and/or everyday debit card purchase that was paid through Overdraft Privilege Plus for customers that opted-in.

Customers without Overdraft Privilege Plus, will have ATM transactions and everyday debit card purchases declined and an overdraft fee will not be assessed for the ATM transactions and everyday debit card purchases.

### Can I remove Overdraft Privilege/Plus from my account?

Customers may opt-out of Overdraft Privilege or Overdraft Privilege Plus at any time, but are responsible for any overdrawn balances at the time of opting out.

Overdraft Privilege/Plus should not be viewed as an encouragement to overdraw your account. Customers that would like this service removed from the account, should visit a local branch.

### How do I know what fees I've been charged?

To help customers manage their account, the total fees for both paid and returned items will be reflected for the current month and for year-to-date on the monthly checking account statement.

Customers should be aware that the order in which the Bank pays items may create multiple overdrafts items in a single banking day. During the course of business, the Bank will generally pay electronic transactions first and then checks, low to high.

The account will be charged the \$30 overdraft fee for each overdraft item paid, but never more than \$90 a day.

Fees Charged	
Overdraft Privilege	\$30 Per item paid
Overdraft Privilege Plus	\$30 Per item paid (Opt-in Required)
No Overdraft Coverage	\$30 Per returned item

## How soon can I use Overdraft Privilege or Overdraft Privilege Plus?

New customers are eligible for Overdraft Privilege and/or Overdraft Privilege Plus, 30 days after the account is opened, provided that the account has maintained satisfactory activity, including an aggregate of at least \$500 in deposits within the initial 30-day period.

Overdraft Privilege and Overdraft Privilege Plus may continue to be available provided that the customer maintains the account in good standing.

Customers requesting account balances should remember that the amount shown does not include any overdraft availability.

**Limitations:** Overdraft Privilege and Overdraft Privilege Plus are non-contractual courtesies that are available to eligible individually/jointly owned accounts in good standing for personal use. Ridgewood Savings Bank reserves the right to limit participation to one account per household and to suspend, revoke or discontinue this service without prior notice.

Terms and conditions subject to change without notice.

## How do I know when I use Overdraft Privilege or Overdraft Privilege Plus?

Customers will receive an overdraft notice in the mail each time items are paid through the Overdraft Privilege and Overdraft Privilege Plus service, including the amount of fees imposed. Customers should subtract the fee totals when balancing checkbooks or managing accounts through Ridgewood online banking.

## Repaying Overdraft Privilege and Overdraft Privilege Plus

Customers are notified promptly of any insufficient funds items paid or returned; however, the Bank has no obligation to notify the customer before an item is paid or returned.

Customers should make every attempt to bring accounts to a positive balance as soon as possible. Overdrawn accounts must be brought to a positive end-of-day balance within 30 calendar days.

Accounts that are overdrawn for more than 30 calendar days, will be suspended from Overdraft Privilege or Overdraft Privilege Plus and any future items presented for payment against insufficient funds will be returned. In these instances, customers will receive notification from Ridgewood Savings Bank.

Each owner on an overdrawn account is equally liable for all overdrafts and fees charged.

Failure to repay an overdraft in a timely fashion may result in account closure and/or reporting to collection agencies and/or credit bureaus.

## What if I am having trouble repaying my Overdraft Privilege/Plus or use it frequently?

Call or visit a local branch to discuss the situation if **(1)** the account will not have a positive end-of-day balance within 30 calendar days; **(2)** Overdraft Privilege/Plus is used more often than intended; **(3)** there is confusion as to why the account becomes overdrawn.

Following regulatory guidance, the Bank will contact customers that are paying multiple overdraft fees. To better meet customer needs, alternatives to Overdraft Privilege or Overdraft Privilege Plus will be discussed with the customer.



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