

OVERDRAFT COVERAGE OPTIONS: OVERDRAFT PRIVILEGE AND OVERDRAFT PROTECTION

Life happens! Harford Bank understands that unexpected overdrafts occur from time to time – Overdraft Coverage can help.

Overdraft Coverage Options

The choice is yours. Consider these ways to cover overdrafts:

Service	Cost
Overdraft Protection Link to Another Deposit Account you have at Harford Bank¹	\$5 fee per transfer
Overdraft Protection Line of Credit^{1, 2}	Subject to interest
Overdraft Privilege	\$32 Overdraft Fee per item.

¹Call us at 410-272-3500 or come by a branch to sign up or apply for these services; ²Subject to credit approval.

Overdraft Protection services apply to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account or line of credit you may have at Harford Bank for a fee or finance charge. Please note that overdraft lines of credit are subject to credit approval.

Overdraft Privilege allows you to overdraw your account up to the disclosed limit for a fee in order to pay a transaction. Even if you have overdraft protection, Overdraft Privilege is still available as secondary coverage if the other protection source is exhausted. Please review the **“What Else You Should Know”** section included with this letter for other important information.

Transactions Covered with Overdraft Privilege	Standard Coverage (No action required)	Extended Coverage (Your consent required on consumer accounts) *	If you would like to select Extended Coverage for future transactions: call us at 410-272-3500, complete the online consent form found at www.harfordbank.com , visit any branch, complete a consent form and mail it to us at P.O. Box 640 Aberdeen, MD 21001-0640
Checks	X	X	
ACH - Automatic Debits	X	X	
Recurring Debit Card Payments	X	X	
Online Bill Pay Items	X	X	
Internet Banking Transfers	X	X	
Telephone Banking	X	X	
Teller Window Transactions	X	X	
ATM Withdrawals		X*	
Everyday Debit Card Transactions		X*	

*If you choose Extended Coverage on your consumer account, **ATM withdrawals and everyday debit card transactions** will be included with the transactions listed under Standard Coverage. If you already have Extended Overdraft Privilege coverage, it is not necessary to request it again. Business accounts automatically have Extended Coverage.

You can discontinue the Overdraft Privilege in its entirety by contacting us at 410-272-3500.

What Else You Should Know

- A link to another account or a line of credit may be a less expensive option than an overdraft. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts. Good account management is the best way to avoid overdrafts. Use our mobile banking, Internet banking, and telephone banking services to keep track of your balance. For additional financial education resources, please visit www.mymoney.gov.
- The \$32 Overdraft Fee that is charged if you overdraw your account more than \$5.00 is the same fee amount that is charged if a check is returned as unpaid. If your consumer account is overdrawn by \$5.00 or less, the Overdraft Fee is \$5.00. If multiple items overdraw your account on the same day, each item will be assessed an appropriate Overdraft Fee or a Non-sufficient Funds Fee of \$32. All fees and charges will be included as part of the Overdraft Privilege limit amount. Your account may become overdrawn more than the Overdraft Privilege limit amount because of a fee.

- If an item is returned because the available balance in your account is not sufficient to cover the item and the item is presented for payment again, Harford Bank will charge a Nonsufficient Funds Fee each time it returns the item because it exceeds the available balance in your account. If, on re-presentment of the item, the available balance in your account is sufficient to cover the item Harford Bank may pay the item. If the payment causes an overdraft, Harford Bank will charge an Overdraft Fee.
- For consumer accounts, there is a limit of 6 Overdraft Fees (\$192.00) per day we will charge. These exceptions do not apply to business accounts.
- This describes the posting order for purposes of determining overdrafts. Our general policy is to post items throughout the day and to post credits before debits. Debit card and ATM transactions are posted in the order they are received, ACH transactions are posted from lowest to highest dollar amount, paper checks are paid in check number order. However, because of the many ways we allow you to access your account, the posting order of individual items may differ from these general policies. Holds on funds (described herein) and the order in which transactions are posted may impact the total amount of Overdraft Fees or Non-sufficient Funds Fees assessed.
- Although under payment system rules, Harford Bank may be obligated to pay some unauthorized debit card transactions, Harford Bank will not authorize debit card or ATM transactions unless there are available funds (including Overdraft Coverage Options) to cover the transactions and any fee(s).
- Giving us your consent to pay everyday debit card and ATM overdrafts on your consumer account (Extended Coverage) may result in you incurring Overdraft Fees for transactions that we would otherwise be required to pay without assessing an Overdraft Fee. However, this would allow us to authorize transactions up to the amount of your Overdraft Privilege limit and may also help you avoid overdrafts in excess of your available balance. If you consent to Extended Coverage on your consumer account, it will remain on your account until you otherwise withdraw it.
- Harford Bank authorizes and pays transactions using the available balance in your account. Harford Bank may place a hold on deposited funds in accordance with our Deposit Account Agreement and Disclosure, which will reduce the amount in your available balance. The available balance for checks, ACH items, and recurring debit card transactions is comprised of the ledger balance, less any holds on deposited funds and any debit card holds, plus the amount of the Overdraft Privilege limit and any available overdraft protection. The available balance for ATM and everyday debit card transactions on accounts with Standard Coverage is the ledger balance, less any holds on deposited funds and any debit card holds, plus any available overdraft protection, but does NOT include the Overdraft Privilege Limit. For accounts with Extended Coverage, the Overdraft Privilege Limit is included in the available balance for authorizing ATM and everyday debit card transactions.
- Please be aware that the Overdraft Privilege amount is not included in your available balance provided through online banking, mobile banking or Harford Bank's ATMs.
- Harford Bank will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction. When the hold ends, the funds will be added to the available balance in your account. If your account is overdrawn after the held funds are added to the available balance and the transaction is posted to the available balance, an Overdraft Fee may be assessed.
- Except as described herein, Harford Bank will not pay items if your account does not contain available funds (including the Overdraft Privilege limit) to cover the item(s) and the amount of any fee(s).
- New consumer checking accounts will receive a \$100 Introductory Overdraft Privilege limit at account opening that will be increased to \$800 after 35 days in good standing.
- An Overdraft Privilege limit of \$1,500 will be granted to eligible Business Checking accounts opened at least 35 days in good standing.
- Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Overdraft Privilege may be discontinued if you default on any loan or other obligation to us, your account becomes subject to any legal or administrative order or levy, or if you fail to maintain your account in good standing by not bringing your account to a positive balance within 32 days for a minimum of one business day. You must bring your account balance positive for at least one business day to have Overdraft Privilege reinstated.
- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Deposit Account Agreement and Disclosure. The total (negative) balance, including all fees and charges, is due and payable upon demand.