

Customer Overdraft Privilege Disclosure

Overdraft Privilege is not a line of credit. It is a service provided for Community Checking, Community Circle Checking, Preferred Checking, and Business Checking accounts that allows us to pay items presented when your account does not have sufficient funds, up to a pre-determined limit. The Overdraft Privilege limit for the consumer account types listed above is \$500, and the limit for Business Checking is \$1,000.

Here are some of the ways your account can become overdrawn:

- Payment of checks, electronic funds transfers or other withdrawal requests
- Payments authorized by you (i.e. signature-based point of sale transactions)
- The return of unpaid items deposited by you
- Bank service charges
- The deposit of items which, according to the bank's Funds Availability Policy, are treated as not yet available or finally paid.

Community National Bank is not obligated to pay any item presented for payment if your account does not contain enough money. As long as you maintain your account in "**good standing**," we may approve your overdraft items within your current available Overdraft Privilege limit as a non-contractual courtesy.

For Overdraft Privilege consideration, your account is considered in "good standing" if you

- Deposit enough money 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);
- Avoid excessive overdrafts suggesting the use of Overdraft Privilege as a continuing line of credit;
- Have no legal orders, levies or liens against your account;
- Have no seriously delinquent loan(s) – default expected; and
- Have no suspected fraudulent activity on any accounts.

In the normal course of business, we generally pay electronic transactions first and then checks low to high, according to the bank's policy. 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. It is possible that you might have multiple overdraft items in a single banking day, and you will be charged our paid item fee of \$30 for each overdraft item paid. If your account's negative balance exceeds the available Overdraft Privilege limit, items may be returned due to insufficient funds. Returned items are also charged the \$30 overdraft fee per item. We may charge you up to a daily maximum of \$150.00 (five overdraft fees).

So as not to exceed your limit, please note that the amount of the overdraft plus the bank's paid item fee of \$30 per item will be deducted from the overdraft limit.

If your account is not in good standing or we determine you are using Overdraft Privilege excessively or as a regular line of credit, we may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. We will notify you promptly each time an item is paid or returned on your account with insufficient funds. However, we have no obligation to notify you before we pay or return any item. The amount of any overdraft fee including our paid and/or returned item fee of \$30 is due and payable upon demand. 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, is jointly and individually liable for all overdrafts including all fees charged.

We do not encourage you to overdraw your account by using Overdraft Privilege. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconciling your checkbook regularly, and managing your finances responsibly.

Please note that your Overdraft Privilege limit may be available for each item paid under the limit created by checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic payment (ACH) transaction, automatic bill payment or recurring debit card payment. Business accounts may also receive Overdraft Privilege for ATM and everyday debit card transactions using your limit. For all other personal accounts, we may authorize and pay ATM transfers or withdrawals and everyday debit card purchases using your limit *upon receipt of a signed authorization form to opt-in your debit card*.

Your available balance may be affected by authorizations which could create additional overdrafts and associated fees. When you ask for your account balance, please remember the amount we show you does not include your overdraft limit.

You may opt out of Overdraft Privilege at any time, but you are responsible for any overdrawn balances at the time of opting out. To opt out of Overdraft Privilege, please send written notification to Community National Bank, Attn: Deposit Services, 4811 US Route 5, Newport, VT 05855.

LIMITATIONS: Overdraft Privilege is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or business use. Community National Bank reserves the right to limit participation to one account per household or business 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 the first business day after you bring your account to a positive end-of-day balance.