

At Eastern Bank, we want to make it easy for you to understand the Bank's checking account services and the fees that may apply to your account. Please review this disclosure carefully to learn more about our overdraft services and to help you avoid Overdraft Fees.

#### OVERDRAFT SERVICES FOR YOUR CHECKING ACCOUNT

Eastern Bank offers discretionary overdraft coverage for checking accounts. If your account is eligible, we will consider paying debit (withdrawal) transactions that exceed your available balance, instead of automatically declining those transactions or returning them unpaid. Our overdraft coverage is a discretionary service; the Bank is not obligated to pay any item that exceeds your available balance and may cease paying overdrafts at any time without prior notice of reason or cause.

**Standard Overdraft Coverage** allows us to authorize and pay overdrafts for checks, other debit transactions made using your checking account number (e.g. ACH debit transactions), and automatic bill payments. We do not authorize and pay overdrafts for ATM or everyday debit card transactions for your personal checking account unless you have expressly requested (opted in to) ATM/Debit Card Overdraft Coverage\* (see our *What You Need to Know about Overdrafts and Overdraft Fees* Form). If you do not opt in to ATM/Debit Card Overdraft Coverage, we will decline any ATM or everyday debit card transaction that exceeds your available balance.

\*Premier Checking and Private Bank Checking accounts automatically receive ATM/Debit Card Overdraft Coverage as there are no overdraft fees associated with these accounts.

Accounts are eligible for Standard Overdraft Coverage after 30 days of being opened. Accounts remain eligible as long as they are brought to a positive balance within 10 days of an overdraft, and do not incur 50 or more Overdraft Fees in any 12-month rolling period. We typically do not authorize or pay items that will overdraw your available balance by more than \$500, although we may elect to exceed that limit.

You may also revoke your consent (cancel) ATM/Debit Card Coverage without removing overdraft serviced for other transaction types. Visit an Eastern Bank branch, call **1-800-EASTERN** (327-8376), or visit us online at [easternbank.com/optin](http://easternbank.com/optin) for more information.



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# Understanding Eastern Bank's **Consumer** Overdraft Services and Fees

Effective June 1, 2024

## WHAT IS AN OVERDRAFT?

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We use your available balance to determine whether you have enough money in your account to pay an item when it is presented for payment. If your available balance is insufficient to pay an item when it is processed and posted in the order set forth below, we may, in our sole discretion, pay the item (creating an overdraft) or return the item unpaid. If you overdraw your account, you must immediately pay all fees, overdrafts and other amounts you owe us. See below for further explanation about how we calculate your available balance.

## WHEN ARE FEES CHARGED?

We may charge you an Overdraft Fee of **\$35** if we pay an item that exceeds your available balance.

Please be aware that merchants and other third parties sometimes re-submit items that we return unpaid. Each re-submission constitutes a separate item. You agree that if any transaction is submitted for payment again after having previously been returned unpaid by us, an Overdraft Fee may be assessed if the item is paid and it exceeds your available balance.

We will not charge more than one (1) Overdraft Fee on any one business day. In addition, you will not be charged Overdraft Fees for ATM or everyday debit card transactions unless you have opted in to ATM/Debit Card Overdraft Coverage. Additionally, we will not charge an Overdraft Fee (1) on any individual transaction presented for payment that is \$5 or less; or (2) if your end-of-day available balance is overdrawn by \$50 or less. Please see your *Personal Deposit Account Agreement* (PDAA) for examples of how these two overdraft thresholds work together to help you avoid fees.

## YOUR AVAILABLE BALANCE AND INFORMATION ABOUT HOLDS

Your available balance is the amount of money in your account that you can use without causing an overdraft. Your available balance includes all credits and debits that have posted to your account, and is reduced by any holds on your account, including authorization holds and deposit holds.

**Authorization Holds:** When you use your debit card to make a purchase, there is often a delay between the date you initiate (and we authorize) the transaction and the date the merchant submits it to us for payment (settlement). We place a hold on your account for any authorized debit card transaction at the time we authorize it, and the hold remains on your account until we pay it. The amount of the hold will be the amount we have authorized, based on the request we receive from the merchant, or as permitted under applicable payment network rules.

Authorization holds reduce your available balance. An authorization hold can result in an Overdraft Fee if additional items are presented for payment that exceed the reduced available balance resulting from the hold. The following is a hypothetical example of how that can occur: Your account has an available balance of \$100, and you swipe your debit card at a grocery

store to make a \$75 purchase. The Bank authorizes the payment, allowing you to make the purchase. When the Bank authorizes the payment, it immediately places a hold on your account for the \$75 authorization, reducing your available balance to \$25 (\$100 minus \$75). The grocery store does not submit the authorized amount of \$75 to the Bank for payment until three days after your purchase. Before it does so, a check you wrote for \$80 clears. Because the authorized grocery store purchase reduced your available balance to \$25 before the \$80 check cleared, the check will overdraw your account by \$55 even though the authorized amount of \$75 has not been paid to the grocery store, and you will be charged an Overdraft Fee.

The amount of an authorization request and hold may not equal the amount the merchant ultimately presents for payment. Certain merchants (for example, hotels and gas stations) may submit authorization requests that are higher than the prices of the goods or services ultimately purchased. If an authorization hold is pending on your account, and another transaction is presented for payment that exceeds your available balance, you may be charged a fee even if you would have had a sufficient available balance to cover the item if the amount of the authorization hold was equal to the amount the merchant ultimately presents for payment. Please see your PDAA for more information.

**Deposit Holds:** Deposit holds are different from authorization holds. Please read our *Funds Availability Policy* for a detailed discussion of how and when we make funds available to you. If you withdraw funds before they become available, you may incur an Overdraft Fee.

## PROCESSING AND POSTING OF ITEMS

The order in which items are processed and posted to your account may affect whether you incur an Overdraft Fee. When a debit transaction is "posted," it means the Bank has paid the item. Items are processed and posted to your account at the end of each business day, as follows:

1. First, we add to your available balance deposits or other credits that have become available to you that business day in accordance with our *Funds Availability Policy*.
2. Next, we subtract from your available balance the amount of any holds for debit transactions that have been authorized but not yet presented to the Bank for payment. See above for more information about authorization holds.
3. We then subtract from your available balance debits presented to the Bank for payment against your account in categories by type of transaction. In general, your debit card purchases and ATM withdrawals are deducted in chronological (time-stamp) order, followed by ACH transactions in low-to-high order by dollar amount, followed by checks in serial number order. Please refer to the PDAA for a detailed description of our posting order.

Your monthly account statement does not necessarily report debit and credit transactions in the order that they occurred or in the order that they were posted to your account.

## AVOIDING OVERDRAFTS AND FEES

You can avoid fees for overdrafts by making sure you always maintain a sufficient available balance to cover all of your transactions. Your available balance may change during the course of a day as debit transactions and deposits are made. You can actively monitor your account, check your available balance, and track your spending with these tools:

- Use our mobile app or online banking
- Use any Eastern Bank ATM
- Call us 24/7 at **1-800-EASTERN** (327-8376)
- Sign up for Debit Alerts in online banking

The available balance we disclose to you may not include all of your transactions, such as checks you have written that have not yet cleared or upcoming automatic payments. It is your responsibility to keep track of your available balance as you conduct transactions in order to avoid overdrafts and fees. Your monthly account statement does not report the holds affecting your account on any given day; as a result, the daily balances reported in your statement may not reflect your available balance(s) occurring on that day. If you have questions about your statement or overdrafts you have incurred, visit an Eastern Bank branch or call **1-800-EASTERN** (327-8376).

We also offer alternative overdraft protection plans.

- **Automatic Balance Protection** – You may request to link your checking account to another of your Eastern Bank accounts to automatically transfer the amount needed to cover checks or other withdrawals that would overdraw your checking account. One transfer is made per day to cover the amount of all transactions that exceed your checking account's available balance.
- **Cash Reserve Line of Credit** – You may apply for a line of credit that will automatically lend you the amount you need to cover checks or other withdrawals that would overdraw your checking account, up to the amount of your approved credit limit. Funds borrowed from the line are subject to interest charges. One transfer is made per day to cover all transactions that exceed your checking account's available balance.

These alternative protection plans may be less expensive than our Standard Overdraft Coverage or ATM/Debit Card Overdraft Coverage. Note that even if your account has been approved for an overdraft protection plan, you may still incur an Overdraft Fee if you exceed your checking account's available balance and lack sufficient funds in your linked account or on the line of credit to cover the overdraft items.