

## Discretionary Courtesy Overdraft Privilege Policy

It is the policy of Beacon Federal to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Deposit Account Agreement and Disclosure provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the Authorized Signatories and Beacon Federal with regard to your checking account. The Deposit Account Agreement (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Courtesy Overdraft Policy and the Deposit Account Agreement and Disclosure. A copy of the verbiage contained in the Deposit Account Agreement and Disclosure is available to you on request from your Beacon Federal officer.

Beacon Federal is not obligated to pay any item presented for payment if your account does not contain sufficient available funds, and any discretionary payment (or other negotiation or processing) by Beacon Federal of any non-sufficient fund check or item does not obligate Beacon Federal to pay any additional non-sufficient fund check or item or to provide prior notice of its decision to refuse to pay any additional non-sufficient fund check or item.

Pursuant to Beacon Federal's commitment to always provide you with the best level of accountholder service, now and in the future, if your consumer account (primarily used for personal and household purposes) has been open for at least sixty(60) days and thereafter you maintain your account in good standing, which includes at least:

- A. Making regular deposits consistent with your past practices;
- B. Depositing an amount equal to the amount of discretionary courtesy overdraft extended to you or more in your account within each thirty(30) day period and bringing your account balance to a positive balance within every thirty-five (35) day period;
- C. You are not in default on any loan or other obligation to Beacon Federal and
- D. You are not subject to any legal or administrative order or levy.

Beacon Federal will consider, as a discretionary courtesy and not a right or obligation, approving your reasonable overdrafts. This privilege for consumer checking accounts will generally be limited to a maximum of \$700 overdraft (negative) balances. We will not give this privilege to our commercial accounts. Of course, any and all fees and charges, including without limitation the non-sufficient funds fees, continuous overdraft fees and interest charges (as set forth in our fee schedules and Deposit Account Agreement and Disclosure), will be included.

The total of the discretionary courtesy overdraft (negative) balance, including any and all fees and charges, including all non-sufficient funds/overdraft fees, continuous overdraft fees and interest charges is due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Deposit Account Agreement and Disclosure.

Again, approval of payment of reasonable overdrafts by Beacon Federal on accounts in good standing (as described above) is only a discretionary courtesy, and not a right or obligation, is within Beacon Federal's sole and absolute discretion, and can cease at any time without prior notice of reason or cause.

- Discretionary Courtesy Overdraft Privilege applies to check and electronic items presented for payment.
- Each individual item presented for courtesy pay will be assessed a "courtesy pay fee" of \$33.
- "Courtesy pay fee" is subject to change. See "Fees & Charges Schedule" for any changes to the amount of the "courtesy pay fee".
- Check items presented are cleared by Beacon Federal based on the date that they arrive for payment and with the lowest check number clearing before the highest check number.
- Electronic items presented are cleared by Beacon Federal based on the date and time that they arrive for payment and with the lowest dollar item clearing before the highest dollar item.
- If you are not interested in Beacon Federal's "Discretionary Courtesy Overdraft Privilege" service call 1-888-256-3800 or visit our nearest branch office.