



## What You Need to Know about Overdrafts and Overdraft Fees

### Overview

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have **standard overdraft practices** that come with your account.
2. We also offer an **overdraft protection plan** which allows you to link other accounts, such as a savings account or an overdraft line of credit to cover overdrafts in your checking account. This plan may be less expensive than our standard overdraft practices. To learn more, ask us about this plan.

This notice explains our **standard overdraft practices**.

### What are the standard overdraft practices that come with my account?

Sovereign may currently authorize and pay overdrafts for the following types of transactions:

- ⇒ Checks and other transactions made using your checking account number
- ⇒ Recurring debit card transactions
- ⇒ Automatic bill payments
- ⇒ Online Banking payments and transfers

As of August 15, 2010, Sovereign will not authorize and pay overdrafts on the following types of transactions, UNLESS you authorize us to do so:

- ⇒ ATM withdrawals and transfers
- ⇒ One-time debit card transactions

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined.

#### ⇒ **What fees will I be charged if Sovereign pays an overdraft caused by my ATM or one-time debit transaction? Under our standard overdraft practices:**

- We will charge you a fee of up to **\$35** each time we pay an overdraft.
- Also, if your account is overdrawn for 6 or more consecutive business days, we will charge an additional **\$5** per day.
- There is a limit of 6 fees per day we can charge you for overdrawing your account.

#### ⇒ **What if I want Sovereign to authorize and pay overdrafts on my ATM and one-time debit card transactions?**

If you want us to authorize and pay overdrafts on ATM and one-time debit card transactions, the easiest way to do so is to **enroll online in Sovereign Account Protector by visiting [www.sovereignbank.com/accountprotector](http://www.sovereignbank.com/accountprotector). You can also call us at 1-877-768-4721 or visit your nearest branch.**

#### ⇒ **Can I change my mind later?**

If you tell us that we are permitted to pay any overdrafts caused by ATM or one-time debit transactions, you can always change your mind and tell us you no longer want us to do this. You can change your elections by visiting any branch or by calling us at 877-SOV BANK and tell us you no longer want us to pay these types of overdrafts.

Effective 08/15/2010