

Frequently Asked Questions about Overdraft Services

Q: Why are overdraft practices changing?

A: With changes made to Regulation E, financial institutions are prohibited from charging overdraft fees for ATM and everyday (one-time) debit card transactions that overdraw a person's account, unless the person opts in to having the Bank pay such overdrafts.

Q: If I opt in, what's in it for me?

A: Opting in is like insurance. You'll have peace of mind, knowing in the event of an emergency your POS, ATM or one time debit transactions may be approved if you don't have the funds available in your account. You may also be saved the embarrassment of having your card declined at a store or restaurant.

Q: What will happen if I do not opt in?

A: Your ATM and everyday (one-time) debit card transactions will be declined in the event of an overdraft. The Bank's standard overdraft practices will continue to be in effect for your checks and automatic payments.

Q: What are your standard overdraft practices?

A: ACNB Bank pays overdrafts for checks and automatic payments, such as bill payments. Effective August 15, 2010, we will no longer authorize and pay overdrafts for ATM and every day debit card transactions unless you opt in. The overdrafts are paid 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.

Q: What if I have Overdraft Protection?

A: Overdraft Protection will continue to function the same way as it does today.

Q: If I already have Overdraft Protection on my checking account (through a link to savings account or line of credit) do I still need to opt in?

A: With Overdraft Protection, funds are automatically transferred from your savings account or line of credit to your checking account to cover overdrafts on that account. However, if you do not have enough available funds in your savings account or line of credit to cover your ATM transactions and everyday (one-time) debit card purchases, they will be declined. Opting in will provide an additional layer of coverage for ATM and everyday (one-time) debit card transactions in the event you use up your Overdraft Protection funds.

Q: I would never spend more money than I have, so why would I want to opt in?

A: Even when people manage their money carefully, mistakes can happen. If an overdraft occurs, opting in will help ensure you're covered. It will allow your ATM withdrawals and everyday (one-time) debit card purchases to be approved, which saves you the embarrassment of being declined and/or leaving you in a position where you're unable to complete the transaction.

Q: What fees are associated with overdrawing my account?

A: You will be charged a fee of \$40 for each item that overdraws your account.

Q: How can I avoid overdraft fees?

A: There are a number of options to avoid paying overdraft fees. If you have Relationship Checking, Esteem Checking or Checking +, you may sign up for Overdraft Protection, which will link your checking account to another account such as a saving account. In the case of an overdraft, the funds will automatically be taken from the available balance in the other account. There is a \$5 fee per transfer for this service.

Overdraft Protection is also available using a line of credit, such as a Home Equity Line of Credit or our unsecured line of credit, My Money Line. There is a \$5 fee per transfer for this service plus interest is charged on the amount borrowed.

The easiest way to avoid overdrafts is to keep track of your transactions and balance(s). Online Banking allows you to set up alerts that you can receive by email or text message to your phone when your account balance has fallen below an amount that you specify. This can be a very helpful safeguard.

Q: I have heard that by not opting in, the Bank can never charge me an overdraft fee. Is this true?

A: No, this is not true. The change in the regulation only applies to ATM and everyday (one-time) debit card transactions. Items such as checks, automatic transactions and recurring debit card transactions fall under the Bank's standard overdraft practices. In the case when you do not have sufficient available funds to cover these types of items, and Overdraft Protection funds aren't available, we may pay the item(s) at our discretion, resulting in an overdraft fee(s).

Q: Why do financial institutions pay overdrafts?

A: Financial institutions pay overdrafts because studies have shown that people want important payments to be paid and they are willing to pay a fee for the convenience and peace of mind. Generally, people want important bills such as a mortgage or rent paid even when they don't have enough money in their account in order to avoid additional fees and embarrassment. For example, you may want the Bank to pay a check (or an electronic or automatic payment) made to a store, mortgage company, or landlord because if it's returned, you might have to pay a penalty fee to the recipient. Plus, in the future, your checks (or electronic and automatic payments) may no longer be accepted. People may also want their ATM and other debit card transactions paid in order to avoid embarrassment, get help in an emergency or get through a temporary cash-flow problem.

Q: Why aren't overdrafts free?

A: Overdraft fees are intended to deter customers from overdrawing their accounts on a regular basis, and to encourage customers to carefully manage their accounts. It's like a ticket or fine you pay for speeding. And, just like any other business, financial institutions have to cover their costs and any associated risks. The fees for overdrafts cover the risk the Bank is taking when it pays a transaction for a person who doesn't have enough money in his or her account, in case the person doesn't pay it back--and sometimes they don't.

Q: If I opt in, will my ATM and everyday (one-time) debit card transactions always be authorized regardless of available funds?

A: No, the Bank has the discretion to authorize a transaction that causes the account to become overdrawn.

Q: What about automatic or recurring payments I have set up on my debit card?

A: The change in the regulation does not affect the way the Bank processes overdrafts on recurring debit card transactions, checks and other transactions made using your checking account. The reason for this is that consumer testing found that people want these bills paid and are willing to pay for the convenience and peace of mind. We will continue to use our discretion in paying these overdrafts.

Q: If I choose not to opt in at this time but decide to do so later, how can I opt in and when will it take effect?

A: You may call 1.888.334.ACNB, enter your decision through Online Banking if you have an Online Banking account, or stop by one of our offices to opt in. The request will become effective the following business day.

Q: Can I change my opt in decision?

A: Yes, you may change your decision at any time; however, each time you make a change it will not go into effect until the following business day. You will receive a confirmation notice each time you change your selection.

Q: What happens if I choose to opt in and then decide later to change my decision?

A: Simply contact us to opt out, either by calling 1.888.334.ACNB or stopping by one of our offices.

Q: My spouse and I have accounts together and also separate from each other---ones in our individual names only. If we want to opt in, do we both have to opt in?

A: Only one account owner has to opt in for a joint account. For any account in your name only, you will need to opt in.

Q: If I decide not to opt in and I do not have Overdraft Protection on my account, when will you stop authorizing my ATM and everyday (one-time) debit card transactions into overdraft?

A: For accounts opened prior to July 1, 2010, the last day the Bank may authorize and pay overdrafts without your consent will be August 15, 2010.

Q: Are business accounts impacted by the change in the regulation?

A: No, this change to the regulation applies to consumers only.