

Fact Sheet

Overdrafts

Features

- No minimum draw down on amount borrowed
- Overdraft rates from 7%

FAQ's

1. What is an overdraft?

An Overdraft is a short-term revolving line of credit attached to your chequing account. It is suitable for unexpected emergency expenses and cash shortfall, which you may experience from time to time.

2. What are the differences between an overdraft, a credit card, and a Personal Line of Credit (PLOC)?

An overdraft is an additional feature that is attached to your chequing account. It also has a lower interest rate than a credit card. A Credit Card, like Personal Line of Credit, is a separate, stand-alone product. Unlike with a PLOC and a Credit Card you are not required to make a monthly payment to your overdraft, provided you stay within the agreed overdraft limit.

3. How do I apply for an overdraft?

Applying is easy. You can either apply online if you are already set up with Personal Internet Banking at www.hsbc.bm or contact a Premium Banker or Relationship Manager who can assist you with what you're looking for.

4. What can I use an overdraft for?

An overdraft can be used for any unexpected emergencies and expenses or cash shortfalls that you may experience. You cannot use an overdraft for business purposes, they are only available in Bermuda Dollars or United States Dollars and attached to the chequing account you hold.

5. Will I need to provide documentation to support my application?

You will be required to provide documentation to your Premium Banker or Relationship Manager to support income and expense verification. To ensure you have everything you need for your application, check [here](#).

6. How do I make payments on my overdraft?

There is no set payment plan, but interest is calculated daily on the amount that you use. The interest due date for an overdraft facility is set automatically based on the date your overdraft facility was opened. Interest will continue to accrue to the account monthly based on the balance that has been used.

7. What are all the fees associated with an overdraft?

There are several fees that you should be aware of that are associated with an overdraft. When you are approved for the overdraft facility, the one-time fees consist of:

- Stamp duty - \$25
- Negotiation fee

Customer Type	Personal Banking	Advance	Premier
Negotiation Fee	1%	0.9%	0.8%

Fees during the term of your overdraft consist of:

- \$25 per quarter if your overdraft is under \$10,000 or 0.25% per quarter if your overdraft is over \$10,000
- \$35 per transaction for an Unauthorised overdraft (potential fee)

8. What if I can't pay fully before my term is up?

If you are unable to pay back your overdraft before your loan's term is up, come visit us at any of our branches or call us at 1 441 295 5959 so that we can discuss any difficulties that you may have that may prevent you from paying your loan.

9. What is the minimum and maximum amount that I can apply for?

For your initial application, the minimum credit limit that you can apply for is \$500 with the maximum credit limit being based on half of your net monthly salary. If you're interested in increasing your overdraft facility, you can ask for up to 2 times your salary.

Example of the cost of an Overdraft – Example is over a 12 month period.

The example below assumes you are exactly \$1000 overdrawn on your overdraft for a period of 12 months and there are no further transactions in the year.

Overdraft Amount: \$1000

Interest Rate: 7%

Interest Amount: \$70

Overdraft Fee: \$100 (\$25 per quarter)

Total Representative Annual Cost: \$170

If you have any further questions, please contact us at 1 441 299 5959.