

New Overdraft Rules for Debit & ATM Cards

New Federal Reserve rules give debit and ATM card users additional options regarding overdrafts. In the coming months, we must offer you the ability to make decisions about overdraft services for transactions made with your debit or ATM cards.

Soon you will receive a letter explaining our overdraft services and a form to complete to "Opt-In".

Here are some key things you need to consider when reading the notice:

The basic facts

Types of overdraft services: An overdraft occurs when you make a purchase or ATM transaction but don't have enough money in your account to pay for it. For a fee, we sometimes will cover the purchase when you become overdrawn. This fee applies each time you overdraw your account.

Generally, there are two types of overdraft services:

Standard overdraft service: We offer a link to your savings account to cover transactions when you overdraw your account. We charge a \$5 fee each time you overdraw your account, which is less expensive than Overdraft Protection Plus.

Overdraft Protection Plus: We cover your transaction for \$35 **each** time you overdraw your account. For example, if you make a purchase with your debit card for \$150 but only have \$100 in your account, your account will be overdrawn by \$50 and we will charge you a fee. If you then make an ATM withdrawal for \$50, your account will be overdrawn by \$100 and you will be charged another fee. In this example, you will pay a total of \$64 in fees.

The new rules

You choose: In the past, we automatically enrolled you in Overdraft Protection Plus after your account met specific criteria. Under the new rules, we must first get your permission to apply these services to **everyday debit card and ATM transactions** *before* you can be charged overdraft fees. To grant this permission, you will need to respond to the notice and opt in (agree).

Existing accounts: If you do not opt in (agree), beginning August 15, 2010, your everyday debit card and ATM transactions typically will be declined when you don't have enough money in your account, but you will not be charged overdraft fees.

New accounts: If you open a new account on or after July 1, 2010, we cannot charge you overdraft fees for everyday debit card and ATM transactions unless you opt in. If you open a new account before July 1, 2010, we will treat you as an

existing account holder: you will receive a notice about our overdraft services and will have to decide whether or not to opt-in for everyday debit card and ATM transactions.

Flexibility: Whatever your decision, the new overdraft rules give you flexibility. If you opt in, you can cancel at any time. If you do not opt in, you can do so later.

Checks and automatic bill payments: The new rules **do not cover checks or automatic bill payments** that you may have set up for paying bills such as your mortgage, rent, or utilities. We may still automatically enroll you in standard overdraft services and Overdraft Protection Plus for these types of transactions. If you do not want Overdraft Protection Plus in these instances, you may Opt-Out.