

## New Overdraft Rules for Debit and ATM Cards

New Federal Reserve rules give debit and ATM card users additional options regarding overdrafts. In the coming months, banks, credit unions, and other financial institutions must offer you the ability to make decisions about overdrafts for transactions made with your debit or ATM cards.

When you need to make an ATM withdrawal or a debit card purchase, but do not have enough money in your account, Orange County Trust Company may approve the transaction and create an overdraft on your account. You will be charged a fee each time you overdraw your account.

Your debit card and ATM overdrafts may be covered in one of two different ways:

**Standard overdraft practices.** Orange County Trust Company may cover your transaction for a flat fee of \$30 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 \$60 in fees. **Occasional Overdraft Privilege Service (OOPS):** the Bank automatically provides this overdraft protection service to all qualified individual and business accounts. You will be charged the \$30 flat fee each time you use OOPS.

**Overdraft protection plan. Credit-<sup>®</sup>:** You may apply for this line of credit so that your transactions may be covered when you overdraw your account. If you are granted this overdraft line of credit, it may be a less expensive option because you will not be charged the \$30 flat fee when you access the line, however other fees apply.

**New Rules:** Under the new rules, you must now "opt-in" (agree) to be able to access your Occasional Overdraft Privilege Service at point-of-sale and ATM locations. To save you the embarrassment and inconvenience of having your transactions declined when you do not have sufficient funds, you must grant the Bank permission to approve the transactions by opting in.

**Existing accounts.** If you decide not to opt-in and do not have available funds in your account, beginning August 15, 2010, your ATM and point-of-sale transactions will be declined, and you will not be charged an overdraft fee. **If you do not respond to this notice prior to August 15, 2010, you will lose your current OOPS protection, which could result in your debit card and ATM transactions being declined.**

**Flexibility.** Whatever your decision, the new overdraft rules give you flexibility. If you opt-in, you can cancel at any time. Remember there is never a fee for OOPS, unless you use it.

**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. Orange County Trust Company may automatically enroll you in the overdraft protection service, OOPS, for these types of transactions. **If you do not want OOPS in these instances, you have the option to cancel, as always.**

**P.S. Remember, if you do not contact us to opt-in before August 15, 2010, you will lose your current OOPS protection, which could result in your debit card and ATM transactions being declined.**

\*upon credit approval

**This form can be printed and mailed to the Bank. Please return no later than August 15, 2010.**

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

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 overdraft protection plans, which may be less expensive than our standard overdraft practices. To learn more, ask us about these plans.

This notice explains our standard overdraft practices.

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

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments

We do not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- ATM transactions
- Everyday 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 Orange County Trust Company pays my overdrafts?

Under our standard overdraft practices:

- We will charge you a fee of up to **\$30** each time we pay an overdraft.
- There is no limit on the total fees we can charge you for overdrawing your account.

### ➤ What if I want Orange County Trust Company to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call 845-341-5119 or complete the form below and present it at any of our branches or fax to 845-341-5137. You may also opt out at any time by calling us at 845-341-5119.

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 I do not want Orange County Trust Company to authorize and pay overdrafts on my ATM and everyday debit card transactions. I understand my transactions may be declined and I will not be charged an overdraft fee.

I want Orange County Trust Company to authorize and pay overdrafts on my ATM and everyday debit card transactions. I understand I will be charged a fee when my eligible overdraft transactions are paid.

Printed Name: \_\_\_\_\_

Checking Account Number(s): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_