



QUESTIONS AND ANSWERS ABOUT OVERDRAFT PROTECTION

- Question 1: When will these changes be effective?**
July 1, 2010, for new customers and August 15, 2010 for existing customers.
- Question 2: What does the bank classify as an overdraft?**
An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway.
- Question 3: If I Opt-in for Overdraft Protection—does that guarantee that my overdrafts will be paid?**
We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.
- Question 4: Can I Opt-out of Overdraft Protection?**
You can Opt-out at any time by:
- Notifying us in person
 - Calling us
 - Mailing
 - Website - electronic
- Your decision will be effective the next business day and we will discontinue our coverage for your ATM and everyday debit card transactions.
- Question 5: Will you charge me a fee for declining an ATM or everyday debit card transaction?**
No. We do not charge a fee if you have not Opted-in and we decline a transaction due to insufficient funds in your account.
- Question 6: What happens if you do not pay an overdraft?**
If we do not authorize and pay an overdraft, your transaction will be declined.
- Question 7: Is a “Return Item” the same as an overdraft?**

No. A Return Item is a transaction we have declined to pay and returned to the payee.

Question 8: Will the Bank decline my overdrawn checks if I do not Opt-in?

No. The new guidelines only apply to ATM and everyday debit card transactions.

Question 9: Do I have to Opt-in for ATM and everyday debit cards to have my checks paid if I am overdrawn?

No. The Opt-in for ATM and everyday debit card transactions is separate from our recurring debit card transactions, check, Bill Pay and ACH policy.

Question 10: What is the difference between everyday debit card transactions and recurring debit card transactions?

Everyday debit card transactions are one-time (non-recurring) debit card purchases you make through your day-to-day spending (gas, grocery, online, or everyday item purchases). Recurring debit card transactions are arranged with a merchant by providing your debit card number and authorizing the card to be charged on an ongoing basis (monthly gym/health club dues)

Question 11: What types of transactions are not affected by these new rules?

- Checks
- Recurring Debit Card Transactions
- Automated Clearing House (ACH) Transactions
- Electronic Bill Payments

Question 12: What fees will I be charged if Village Bank pays my overdraft?

Under our standard overdraft practices:

We will charge you a fee of **\$35.00** each time we pay an overdraft.

There is no limit on the total fees we can charge you for overdrawing your account.

Question 13: If I have a savings account, can I link it to my checking account for Overdraft Protection?

Yes.

We also offer overdraft protection plans, such as a link to a Savings Account or another Deposit Account, which may be less expensive than our standard overdraft practices. However, restrictions apply, to learn more ask us about these plans.

Question 14: What about recurring debit card payments for health clubs or similar payments—do I have to Opt-in to have them covered by Overdraft Protection?

No. Recurring debit card transactions, such as country clubs or health clubs that automatically debit your account are not subject to this change.

Question 15: What should I do if I overdraw my account?

Make a deposit or transfer funds immediately. Make certain to put enough money into your account to cover the amount overdrawn, plus any outstanding checks and/or pending transactions, and any associated fees.

Question 16: Does Village Bank have an Overdraft Protection product?

Yes. Village Bank offers an Overdraft Protection plan with No Annual fee, which prevents returned checks and other overdrafts from occurring. Conditions apply; contact a Village Bank retail associate for details.

Question 17: How can Village Bank assist our consumer customers with this new regulation with products and services to aid in the prevention of any overdrafts?

If you are concerned about overdrawing your account, please contact a Village Bank retail associate for several options available to you:

- Linking your checking account to another Village Bank account
- Village eAlerts for balances and messaging
- Free Internet Banking