

Dear Valued Member,

Recently the Federal Reserve has created new rules governing overdraft protection programs that go into effect on July 1, 2010. Currently when you use your debit card, you have enjoyed the benefit of being allowed to overdraw your account to avoid embarrassment, take care of an emergency, or withdraw extra funds when you need those most. With the new rule, you now have an option concerning whether you want to continue to have our overdraft service cover your *everyday debit card transactions*. Please be aware that this opt-in rule applies only to everyday debit card transactions and does not pertain to overdraft protection services associated with written checks or recurring debit transactions, such as regularly scheduled bill payments.

Why opt in?

Hermantown Federal Credit Union's Check Privilege Overdraft Protection is designed for your convenience and protection. For the most part our members do not overdraw their accounts and incur fees, but accidents happen and life doesn't always go according to plan, therefore overdrafts do occur. Without overdraft protection, you're ATM and daily debit card transactions may be declined if you attempt to make a transaction without adequate funds.

Your signed opt-in form will need to be received by August 15, 2010 in order to provide you with your overdraft coverage. Otherwise Hermantown Federal Credit Union will not authorize debit card transactions where the available balance in the account at the time of authorization is insufficient.

How to opt in?

Call 218-729-7733, visit hermantownfcu.org, or complete the opt in form. You can drop it off at either branches, or fax it to 218-729-7978.

What You Should Know about Overdrafts and Overdraft Fees

An overdraft occurs when you don't 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. 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 account number
- Automatic bill payment

Effective, July 1, 2010 for new customers and August 15, 2010 for current customers, we will not authorize and pay overdrafts for the following types of transactions unless you ask us to:

- Everyday debit card transactions

We pay overdrafts at our judgment, 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 Hermantown Federal Credit Union pays my overdraft?

- We will charge you a fee of up to \$27 each time we pay an overdraft.
- There is a daily limit of \$135 of total fees we can charge you for overdrawing your account.

If you want us to authorize and pay overdrafts on daily debit card transactions, call 218-729-7733 visit hermantownfcu.org, or complete the opt in form and fax it to 218-729-7978 or return it by mail to:

***Hermantown Federal Credit Union
4477 LaVaque Road
Hermantown, MN 55811***

OPT IN FORM

*IF THIS FORM IS NOT RETURNED, WE MUST ASSUME THAT YOU DO NOT WANT OVERDRAFT PROTECTION

- I DO NOT WANT** Hermantown Federal Credit Union to authorize and pay overdrafts on my daily debit card transactions.
- I WANT** Hermantown Federal Credit Union to authorize and pay overdrafts on my daily debit card transactions.

Printed Name

Account Number (One account per form-please photocopy for additional accounts.)

Signature

Date