

THE NEW ELECTRONIC FUNDS TRANSFER ACT REQUIRES YOU TO MAKE A CHOICE AFFECTING YOUR CHECKING ACCOUNT. ENCLOSED IS A FORM THAT NEEDS YOUR IMMEDIATE ATTENTION AND ACTION.

On November 12, 2009, the Federal Reserve finalized changes to Regulation E which implements the Electronic Funds Transfer Act that affects Overdrafts caused by ATM and one-time debit card transactions.

This regulatory change requires you to notify us whether you want us to pay ATM or one-time debit card transactions when you do not have enough money in your account to cover the transaction.

HOW YOUR ACCOUNT WORKS TODAY

Our current overdraft practice is to rely on your financial history to assist us in determining whether or not to pay an overdrafting ATM or one-time debit transaction. For this overdraft service, your account is typically assessed a fee. In order to continue this service, we need your consent. When you *opt-in*, these advantages will continue:

- **Convenience** – May allow your debit card purchases to be approved, even when you have insufficient funds.
- **Flexibility** – May allow you to make a purchase, even if you can't make a deposit or transfer money until later that same day.
- **A Safety Net** – May cover you if you have an unexpected expenses.
- **Emergency Backup** – May allow you to use your checkcard in an emergency, even if you don't have enough money in your account.

WHAT DO YOU NEED TO DO?

Please complete and return the enclosed form to Century Employees Savings Fund CU or call (828) 326-8512 to notify us of your decision:

- If you **DO** authorize us, we may pay, at our discretion, any ATM or debit card transaction that is processed when you do not have adequate funds in your account. This will create an overdraft, and you may be charged a \$30 fee. We retain the right to pay or not pay any items when there is not enough money in your account to cover the transaction.
- If you **DO NOT** authorize us, then any ATM or debit card transaction that is processed when you do not have adequate funds in your account will be **DECLINED**.

Your decision is required regarding whether we should pay or not pay ATM and one-time debit card transactions. If you do not respond to this letter, we will interpret your non-response as a decision for us NOT to authorize ATM or debit card transactions when you do not have sufficient funds in your checking account.

Your consent for us to pay or not to pay ATM and debit card transactions presented without sufficient funds will NOT be effective until August 15, 2010, the implementation date set by the government. Until that time, we will continue to follow our typical overdraft practices.

We value your membership and look forward to continuing to serve your financial needs. If you have any questions, or need assistance with your account, please call (828) 326-8512, or visit our website at www.centurycreditunion.net.

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, such as a link to a share/savings account or overdraft line-of-credit, which may be less expensive than our standard overdraft practice. 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:

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

We will not authorize and pay overdrafts for the following types of transactions unless you ask us to:

- o ATM transactions
- o Everyday debit card transactions (any one-time transaction including a point-of-sale transaction, an on-line transaction, or a telephone transaction).

This policy is effective –

- (1) on or after August 15, 2010, for accounts opened prior to July 1, 2010; and
- (2) on or after July 1, 2010 for new members.

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 the Credit Union pays my overdraft?

Under our standard overdraft practices:

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

What if I want the Credit Union 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 one-time debit card transactions, call (828) 326-8512, or complete the form below and mail it to Century Employees Savings Fund CU, PO Box 608 Hickory NC 28603.

(You have the right to revoke your authorization at any time by contacting us using one of the authorization methods listed above.)

If there are multiple owners on the ATM and/or debit card account, either account owner can act on behalf of all owners on this account.

Only one (1) account owner signature is needed to add or remove the overdraft coverage.

ADD COVERAGE

I do want Century CU to authorize and pay overdrafts on my ATM and everyday debit card transactions. I understand I will be charged fees as listed above.

REMOVE COVERAGE

I do not want Century CU to authorize and pay overdrafts on my ATM and everyday debit card transactions. I understand that my transaction will be **declined**.

Printed Name

Member Number

X _____
Member/Owner Signature Date

CREDIT UNION CONSENT CONFIRMATION

X _____
Member/Owner Printed Name

Member Number

- Coverage Added
- Coverage Removed

Teller ID