

Important Information About Overdraft Services

New federal law affects how overdraft services are provided for your account.

What is an overdraft service?

An overdraft service is when a financial institution pays a transaction even though a customer does not have sufficient funds available in the deposit account to cover the amount of the transaction. A fee is charged for this service. Most financial institutions provide this service automatically – customers do not have to apply for or select to use the overdraft services.

A plan that transfers money from a credit card, loan account, or another deposit account is not considered an overdraft service.

Does the financial institution have to pay the transaction if it overdraws the account?

No. The service is discretionary. The institution may authorize and pay the transaction or it may decline the transaction. For most institutions, if the transaction is paid, the customer is obligated to promptly bring the account to a positive balance.

What is the effect of the new federal law?

After August 15, 2010, financial institutions cannot provide overdraft services for ATM transactions or everyday debit transactions unless their customers have instructed them to do so.

What is an everyday debit transaction?

Generally, an everyday debit transaction is when you use your debit card or card number to make a purchase at a gas station, store, restaurant, or other merchant, or by phone or the Internet. Using your debit card to authorize automatic payment of a recurring bill, such as your utility bill, is not considered an everyday debit card transaction.

Does this affect me if I always keep enough money in my account to cover my transactions?

It might. To understand how, it's important to know about debit holds. You may have experienced a debit hold without even knowing it.

For example, if you use your debit card at a gas station, the transaction will be authorized before you can start the pump. At the time of the authorization, the amount of the transaction is unknown. The gas station will obtain authorization for a selected amount, (\$50, for example) and a debit hold will be placed on your account for that amount.

Depending on the technology used, that debit hold might remain on your account for an extended period of time, even if your purchase was for a lesser amount. Because of this, you may have more money in your account than the records show, and a financial institution may have to deny a transaction even though you have sufficient funds in your account.

Also, keep in mind that a financial institution will deny a transaction if the records show you do not have sufficient funds available in your account at the time it is asked to authorize the transaction even if you expect to have deposited sufficient funds in your account by the time the transaction is presented for payment.

If you want us to continue to offer you this service after August 15, 2010, you will need to authorize us to do so.

Review the following page to act now!

The following disclosure describes important features of the overdraft services we offer. It also explains how you can authorize us to continue to provide overdraft services for ATM and everyday debit card transactions after August 15. Please review this information and give us your authorization now!



194 W. Main St., PO Box 98
Cortland, OH 44410

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 one or more overdraft protection plans, such as a line of credit, 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 using your checking account number
- Automatic bill payments
- ACH transactions

Commencing August 15, 2010, 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 The Cortland Savings and Banking Company pays my overdraft?

Under our standard overdraft practices:

- We charge a fee of **\$32.00** each time we pay an overdraft.
- Also, if the account is overdrawn for more than **10** consecutive days, we charge an additional fee of **\$1.00** for each day your account is overdrawn.
- There is no limit to the total fees that we can charge you for overdrawing your account.

What if I want The Cortland Savings and Banking 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, visit us online at <https://www.rege-manager.com/dcx-rege/private/main.jsp?context=279241> and use the following login credentials: **Please note:** user name/password was e-mailed or mailed to current customers, or complete the form below and mail it or drop it off at your a branch near you.

*Please call Cortland Banks Deposit Services with any questions: 330.637.8040 x4999.

____ I want The Cortland Savings and Banking Company to authorize and pay overdrafts on my ATM and everyday debit card transactions with respect to the account identified below.

Signature: _____

Printed Name: _____

Date: _____

Account Number ending in: _____

*Please call Cortland Banks Deposit Services with any questions: 330.637.8040 x4999.