



July 2010

**The purpose of this letter is to explain the overdraft protection changes that are coming to all existing customers August 15, 2010.**

Dear SNBT Customer,

As a valued customer of The Stephenson National Bank & Trust, we want to make sure you understand the regulation changes and what these changes mean to you so you can make an informed decision with which you are comfortable. Recently, the Federal Reserve issued a regulation requiring banks to change standard overdraft practices. **These changes will require SNBT to automatically decline your ATM and one-time debit card transactions that would create an overdraft to your account unless you agree, or "opt-in", to standard overdraft protection for your checking account(s).**

**IF YOU OPT-IN:**

If you opt-in, you are allowing SNBT to consider authorizing your transaction even when there are not enough available funds in your account. Although your transaction could create an "overdraft" or negative balance in your account, this option may enable you to complete your transaction. If we authorize reasonable one-time debit card or ATM transactions that cause an overdraft, you will incur our normal overdraft fee of \$29 as set forth in our service fee schedule.

**IF YOU OPT-OUT:**

If you opt-out, as of August 15, 2010, SNBT will no longer apply our standard overdraft practice to your ATM or one-time debit card transactions. This means if a transaction would cause your account to be overdrawn, it would be rejected at the time it is attempted and you would not be able to complete the transaction. However, we realize that no single form of overdraft protection fits every customer and we do have other options available that we will gladly discuss to ensure the best fit for your individual needs.

**RESPONSE REQUIRED:**

Please complete and return the enclosed form before August 15, 2010. If we don't hear from you, you will automatically opt-out. The regulation requires that a separate form be completed for each checking account (additional forms may be obtained from [www.snbt.com](http://www.snbt.com)). For accounts with multiple owners, only one owner needs to sign/respond. You may revoke your consent or opt-in at any time by mail, in person, or over the phone.

**Please Note: Your overdraft service for checks, automatic bill payments, Ready Credit, and Overdraft Protection are not impacted by this regulation and will continue to function as they currently do.** If you have any questions or would like to receive more information regarding other overdraft services such as Overdraft Protection or Ready Credit, please call a Personal Banker at 715-735-2357.

Thank you for giving us the opportunity to serve your banking needs!

Sincerely,

David C. Meyer  
Chief Financial Officer & Senior Vice-President