

Regulation E--Frequently Asked Questions

1) I'm hearing a lot in the news about changes to my debit card transactions. What is going on?

Currently, most banks pay overdrafts because frequently customers are willing to pay a fee to have payments approved, even if they don't have enough money in their account. This enables them to avoid inconvenience, additional fees from payment recipient, etc. For example, you may want the bank to pay a check, electronic or automatic payment made to a store, mortgage company, or insurance agent because if it is returned it could lead to more fees. People often also want ATM and other debit card transactions paid in order to help them in an emergency or to get through a temporary cash-flow problem. *There is a fee charged for this service, which at SNBT is currently \$29 per transaction.*

A change to Federal Regulation E requires that you authorize (called "opt-in") SNBT to consider approving, for a fee, ATM and one-time debit card transactions that would cause an overdraft. This change is going into effect on August 15, 2010 for current customers and July 1 for new customers.

2) How will the changes to Federal Regulation E affect me?

If you choose to "opt-in", we may, at our discretion, pay overdrafts for your ATM and one-time debit card transactions. If you do not opt-in before August 15, 2010, your card will be declined if there are insufficient funds at the time of the transaction. You may choose to opt-in at any time.

3) What is an overdraft?

An overdraft occurs when there is not enough money in the account to cover a payment you have authorized, but the bank approves it as a service to you, causing a negative balance. The bank does this at their discretion as a courtesy and is trusting that you will repay the amount of the overdraft.

4) Will this change cover all types of transactions on my account?

No, this change only impacts ATM withdrawals and one-time debit card transactions on personal accounts. Recurring payments established on your account or debit card, ACH transactions, paper checks, and business accounts are not impacted and will be handled in the current manner.

5) What is the difference between a one-time and a recurring debit card transaction?

Recurring debit card transactions are ongoing payments of monthly or recurring bills. For example: cable, utilities, mortgage, etc. One-time debit card transactions include purchases made at a store, online, or over the phone as well as the periodic payment utilizing online bill pay.

6) If I opt-in, is there a fee?

No, there is no fee for simply having this service available for your account. You only incur a fee if you use the service to complete a transaction.

7) If I opt-in, will SNBT always cover my overdrafts?

No. It is not guaranteed that SNBT will cover an overdraft, even if you do opt-in. However, if you opt-in, at our discretion, SNBT may cover your overdrafts under certain circumstances.

8) How do I opt-in?

You have several options: A letter with an opt-in form was mailed to all personal ATM or debit card holders which you can complete and return via mail, in-branch, email, or fax. Or you may visit any branch or call Bookkeeping at 715-735-2356. The opt-in form is also on www.snbt.com to print.

9) If I have more than one checking account, do I need to opt-in only once for all of them?

You'll need to complete a different form for each checking account and include a specific account number on each form. You can make different choices for different accounts that have an ATM or debit card.

10) If I have a personal checking account but no ATM or debit card, do I need to opt-in?

No, since this change only applies to ATM withdrawals and one-time debit card transactions, if you don't have either type of card, this won't impact you. However, if you choose to get either card in the future, you may want to opt-in at that time.

11) I'm a joint account holder on a checking account. Do both owners need to opt-in? Can one owner opt-in and the other opt-out?

No, only one owner need respond and each account can only have one choice, even if you have two different ATM/debit card numbers. It is important to note that we will recognize the last communication received from any account owner, determined by the date on the form.

12) What happens if I don't opt-in by August 15th?

If you don't opt-in by August 15th any ATM and one-time debit card transaction that would overdraw your account will be declined. You can choose to opt-in at any time.

13) Can I change my mind?

Yes. If you opt-in you can cancel at any time. You can also opt-in at any time by simply contacting SNBT. However, it is important to note that canceling your opt-in decision does not require the bank to waive or reverse fees that were incurred prior to the opt-out request.

14) If I am at a merchant and my card is declined, can I call SNBT to "opt-in" and get the transaction to go through immediately?

Yes, you may call Bookkeeping (715-735-2356) during regular business hours to opt-in. However, coverage is at the bank's discretion, so the transaction may still be declined.

15) Is there anything else I can do to decrease the chances of having a transaction declined without paying an overdraft fee?

Yes! It is important to keep track of your account balance by keeping accurate records and reconciling transactions frequently. Online Banking is a free service that is an easy way to see when transactions are applied to your account (for more information, go to www.snbt.com). We also offer Bankline, a free method of monitoring your account using a phone. In addition, other options such as Ready Credit (an established line of credit) or Overdraft Protection (linking a savings account to your checking), are available. A Personal Banker will be happy to help you to determine which best fits your needs.

16) If I do not opt-in, does it mean that I will never overdraw my account with an ATM or debit card?

Not necessarily-- There are a few ways that your account can be overdrawn, even without an opt-in:

- A preauthorized transaction (i.e. paying at the gas pump, adding a tip at a restaurant, or a hotel reservation "hold") could cause a negative balance. In these situations, the business preauthorizes a transaction amount that might not be the final total. A gas station might preauthorize \$20 when you pay at the pump. If you have \$32 in your account the transaction will be approved. If you then spend \$38 on gas your account will be overdrawn by \$6. Even if you opt-out you will be responsible for the amount of money overdrawn.
- An overdraft can also be caused by the timing of actual presentation of the transaction to your account. You may have sufficient funds in your account at the time of the transaction but by the time the transaction is applied to your account there is no longer enough money to cover the transaction, causing a negative balance or an overdraft.

Do not assume that because the transaction is approved there is enough money in your account to cover it.

17) If I opt-in, how does it affect my existing Ready Credit or Overdraft Protection?

Your Ready Credit will continue to function as it does currently and will cover a transaction that would otherwise cause an overdraft. In this case, if you opt-in, SNBT's standard overdraft policy would apply only if there was not enough remaining balance on your line of Ready Credit to cover the transaction.

If you currently have Overdraft Protection (a savings account linked to your checking account), it covers your paper checks, recurring debit card, and ACH payments by transferring funds from your savings to your checking. However, this service does not assist you with ATM or one-time debit card transactions. By opting-in, you may be able to complete those transactions as well.