



**What you need to know about Overdrafts and our Overdraft Program / Fees  
Effective August 15, 2010**

**The opt-in requirement for Debit Card Overdraft Assurance applies to consumer accounts only**

An overdraft occurs when you do not have enough money in your account to cover a transaction. We can cover your overdrafts in the following ways;

1. These are our standard overdraft practices:
  - We may authorize and pay overdrafts for the following types of transactions:
  - Checks and other transactions made on your checking or money market account
  - Automatic bill payments and other recurring transactions
  
2. We offer overdraft coverage that can link a money market account, another checking account, or a home equity line of credit to your checking account so that when you overdraw, assuming there are sufficient funds in your linked account we will transfer these funds to cover your overdraft. The fee for this service is considerably less costly than an overdraft fee.
  
3. We have Standard Overdraft Assurance which we apply on a discretionary basis to all customer accounts for all transactions. “On a discretionary basis” means we do not guarantee that we will always pay non card-based transactions. To be eligible, an account must have been open for 60 days and maintain a \$200 average balance and an overdraft can be approved for up to \$350.

Due to a new Federal regulation effective August 15, we will not authorize and pay overdrafts for every day/one time debit card point of sale transactions or Merchants Bank ATM withdrawals unless you ask us to by “opting in” to Debit Card Overdraft Assurance. (If you opt in, you may have access to Overdraft Assurance at other bank’s ATMs.) Please review the “Opt In” information at the bottom of this form.

**Overdraft Fee Schedule:**

We will charge a fee of \$30 for each item that causes an overdraft with a maximum of 4 items per day.

If your account remains overdrawn for 3 consecutive days we will charge you \$5 starting on day 4 and for each additional day that your account remains overdrawn for a maximum of 30 days.

**Opt In Authorization**

Our standard overdraft practices will remain in effect regardless of what actions you do or do not take.

If you do not opt in or take no action, your every day/one time debit card point of sale and ATM transactions will be denied at time of purchase if your balance does not cover the cost of the item you’re buying or the withdrawal being attempted.

If you would like us to authorize and pay overdrafts for every day/one time debit card point of sale transactions and Merchants Bank ATM withdrawals, please complete the form and mail it to the address provided, fax it to 802-865-1677, or bring it to your local branch office..

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I hereby authorize the Merchants Bank to pay overdrafts on my every day/one time debit card point of sale purchases and Merchants Bank ATM withdrawals as provided in the Overdraft Assurance program. No action is required if you do not want to opt in. You may revoke your consent at any time.

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Account number(s): \_\_\_\_\_

Mail this request to:

Merchants Bank  
Attn: Deposit Services  
P. O. Box 1009  
Burlington, VT 05402-1009