

IMPORTANT INFORMATION about your North Valley Bank Checking Account



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 savings account or Demand Deposit Loan, 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 may authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments
- Recurring debit card transactions

After August 15, 2010, we will no longer authorize and pay overdrafts for the following types of transactions unless you ask us to:

- 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 North Valley Bank pays my overdraft?

Under our standard overdraft practices:

- We will charge you an NSF Paid Item Fee of **\$27** each time we pay an overdraft that overdraws your account more than \$5.00.
- Also, if your account is overdrawn for 5 or more consecutive business days, we will charge a daily sustained overdraft fee of \$7.00 for each day the account is overdrawn.
- We will charge no more than 6 NSF Paid Item Fees per day.

► What if I want North Valley Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions?

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, **call 1-866-869-MORE (6673)**, **visit www.novb.com**, or complete the form below and **present it at a branch or mail it to:** North Valley Bank, PO Box 994630, Redding, CA 96099.

Account Number(s): _____

By signing below you are allowing North Valley Bank to authorize and pay overdrafts on ATM and everyday debit card transactions, after August 15, 2010 for the accounts listed above.

Signature: _____

Printed Name: _____

Date: _____

Member FDIC



New Overdraft Rules for ATM withdrawals and every day debit card transactions

What is an Overdraft?

An overdraft occurs when you do not have enough money in your account to cover a payment you have authorized, but the bank pays it as an accommodation, trusting that you will repay the amount of the overdraft.

Why do banks pay overdrafts?

Banks pay overdrafts because people often are willing to pay a fee to have important payments made such as those for a mortgage or rent even if they don't have enough money in their account in order to avoid inconvenience, additional fees, and embarrassment. For example, you may want the bank to pay a check or electronic or automatic payment made to a store, mortgage company, or landlord because if it is returned, you might have to pay a fee to the payment recipient and because in the future, your checks or electronic and automatic payments may no longer be accepted.

People may also want their ATM and every day debit card transactions paid in order to avoid embarrassment or to help them in an emergency or to get through a temporary cash-flow problem.

How will the new overdraft rules affect me and the use of my debit card?

Most of our checking account products provide the benefit of the bank's Courtesy Overdraft Privilege. With this service, at the bank's discretion, we may pay insufficient fund checks, ATM withdrawals, debit card purchases (every day debit card transactions), electronic fund transfers, or other payment/withdrawal requests up to an approved limit, creating an overdraft in your account. Under the new rules, the benefits of the Courtesy Overdraft Privilege will no longer extend to ATM withdrawals and every day debit card transactions unless you ask us to include them (opt in). Without your opt in, ATM withdrawals and every day debit card transactions drawn against insufficient funds will be declined.

What is an every day debit card transaction?

Every day debit card transactions are purchases made with your debit card on a day-to-day basis; for example, when you use your debit card to pay for your groceries at the check out counter or to pay for gas at the gas station.

The new rules do not include recurring debit card transactions. Recurring debit card transactions are transactions that are specifically coded by the merchant to identify payments that are set up to bill automatically, usually on a predetermined cycle; for example, monthly gym membership dues. Recurring debit card transactions will continue to be authorized at the bank's discretion under the rules of the Courtesy Overdraft Program.

How do I Opt In?

To keep from losing the benefits of Courtesy Overdraft Privilege for ATM and every day debit card transactions, you can call our Customer Resource Center at 1-866-869-MORE (6673), visit a branch location, or complete the What You Need to Know About Overdrafts and Overdraft Fees disclosure and mail it to North Valley Bank Courtesy Overdraft Program, P.O. Box 994630, Redding, CA 96099-4630.

Is there a cost for the service?

Should you overdraw your account, our normal Non Sufficient Funds (NSF) Paid Item Fee of \$27 will be assessed for each item. We will not assess the NSF Paid Item Fee for total overdrafts that are \$5.00 or less. The most that you will ever be charged is 6 fees per day, no matter how many items are presented for payment. If you do not bring your account to a positive balance within 5 consecutive business days of overdraft, you will be assessed a daily sustained overdraft fee of \$7.

Why should I Opt In to Courtesy Overdraft Privilege with debit card coverage?

There is no fee to have the protection and peace of mind knowing that in the event of an emergency or an accounting oversight your charges may be authorized. Fees will only be charged when your account is in overdraft at the end of the business day.

When do the new rules go into effect?

The rules go into effect on July 1, 2010, for all accounts opened on July 1, 2010 and after. Accounts opened prior to July 1, 2010 must opt in prior to August 15, 2010 or ATM withdrawals and every day debit card transactions drawn against insufficient funds will be declined.

What will happen if I don't opt in?

If we do not receive your opt in prior to August 15, 2010, your ATM withdrawals and every day debit card transactions will be declined if they are drawn against insufficient funds.

If I do NOT opt in, does it mean that I will never overdraw my account using my debit card for ATM and every day debit transactions?

No. There are limited circumstances when it will not be possible for the bank to avoid paying an ATM or other debit card transaction you made, even if there is not enough money in your account. You should not assume that because the ATM or every day debit card transaction goes through that there is enough money in your account to cover it. In these cases, a fee will not be assessed, but you still must pay the overdrawn balance.

If I Opt In now, what if I realize later that I no longer want to participate in Courtesy Overdraft Privilege with debit card coverage?

You can opt out of coverage at any time. Our Courtesy Overdraft Privilege program provides you with the flexibility of making the choices that are right for you and your financial needs. We're happy to discuss your coverage options and assist you in making an informed decision.

Will the new rules affect me if I currently have my savings account or a line of credit set up to cover inadvertent overdrafts?

As long as you have sufficient funds in your savings account or available credit, your ATM withdrawals and everyday debit card transactions will continue to be approved as they are currently. However, if you don't have the funds available in your other accounts, your transactions will be declined unless we have received your opt in.

What other account services do you offer to help me avoid the expense of an overdraft?

We offer several account management tools to assist you with managing your account balances:

- You can have funds from a savings account set up to automatically sweep funds as needed to cover accidental overdrafts;
- You can link a line of credit to your transaction account;
- You can set up an e-Alert through online banking and have an email or text message sent to your mobile phone alerting you of a low balance;
- You can use goBanking to check balances and transfer funds – anytime and anywhere;
- Sign up for e-Statements and have access to your statements sooner;
- You can utilize online banking and telephone banking to check balances and manage incoming transactions.