



Ozona National Bank
Since 1905



July 1, 2010

Dear Ozona National Bank Customer:

As a result of recent regulatory changes made by the Federal Reserve Board, beginning August 15, 2010, Ozona National Bank will not be able to authorize and pay overdrafts on your everyday debit card transactions unless you provide consent for us to do so. Everyday transactions include one-time purchases made using your ATM and debit card at grocery stores, restaurants, gas stations and other merchants, as well as one-time purchases or payments made online or by phone. An overdraft occurs when you do not have enough money in your account to cover a transaction but we pay it anyway.

Your authorization allows Ozona National Bank to consider* paying a transaction in the event of an unexpected emergency or expense, or a simple addition error in the future. We currently provide this service to our customers as part of our Overdraft Privilege™ Program. **The majority of our customers prefer having this service to avoid the embarrassment of having their debit card purchases denied at the grocery store checkout line, or at the restaurant when paying for a meal.**

To continue receiving the same level of protection, please let us know:

- By Mail – complete the enclosed authorization form and mail it back to us in the enclosed envelope
- By Phone – give us a call in: Ozona (325) 392-1300, Wimberley (512) 847-8200, San Marcos (512) 754-2600 & Bowie (940) 872-8450
- In Person – stop by your nearest Bank location
- Online – log in to your Online Banking account at ozonabank.com and send a secure email stating that you would like to Opt-In and for which accounts

Once you “opt-in” we are required to send you a letter to confirm your consent.

If we don’t receive your authorization by August 15, 2010 and there is not enough money available in your designated checking account to cover purchases, your everyday debit card transactions will be declined.

Your prompt action is required so your service level is not disrupted. There is **NO CHARGE** for this service unless you use it.

We are here to answer any questions you may have regarding this notice and your overdraft options, including designating another checking or savings account for overdraft protection. As always, thank you for choosing Ozona National Bank as your banking partner.

Sincerely,

Kelly Barclay
President & CEO

*We pay overdrafts at our discretion. This means we do not guarantee we will always authorize and pay any type of transaction when there is not enough money available in your checking or designated overdraft protection account to cover the item. Overdraft Privilege™ is subject to approval. Some restrictions apply.

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 checking, savings account or personal line of credit, which may be less expensive than our standard overdraft practices. To learn more, ask us about your options.

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 made using your checking account number
- ACH transactions
- Automatic bill payments

We will not authorize and pay overdrafts for the following type of transaction 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 Ozona National Bank pays my overdraft?

Under our standard overdraft practices:

- We will charge you a fee up to \$25 each time we pay an overdraft.
- There is no limit on the total fees we can charge you for overdrawing your account.

What if I want Ozona National 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 everyday debit card transactions, please let us know:

- By Mail – complete the form below and mail it back to us in the enclosed envelope
- By Phone – give us a call in: Ozona (325) 392-1300, Wimberley (512) 847-8200, San Marcos (512) 754-2600 & Bowie (940) 872-8450
- In Person – stop by our nearest Bank Location
- Online – log in to your Online Banking account at ozonabank.com and send a secure email stating that you would like to Opt-In and for which accounts

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“Opt-In”

I want Ozona National Bank to authorize and pay overdrafts on my ATM and everyday debit card transactions for the checking account(s) listed below.

Checking Account Number(s): _____

Customer's Name: _____

Customer's Signature: _____ Date: _____